

COMMUNICATION ON PROGRESS REPORT – 2021

Company Name:	MABATI ROLLING MILLS LTD
Sector:	INDUSTRIAL METALS AND MINING
No. of Employees:	1500
UNGC Signatory since:	2006
COE Signatory since:	2012
Contact Person:	JULIUS OCHIENG
Address:	271 – 00204 Athi River
Period covered by this COP	FROM: SEPTEMBER 2021 TO: AUGUST 2022

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,



Manish Mehra
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 subsidiary 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:	<p>1. Protection of internationally proclaimed human rights/workers' rights, ETC</p> <p>2. Complicity in human rights abuses</p>
Human Rights Current	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM recognizes fundamental human rights to its stakeholders i.e. Human Resources, directors and community throughout the conduct of all its business activities.</p>
	<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 such as the ILO Conventions, and UN Guiding Principles on Business and Human Rights • 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
	<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, accessible to all employees and a hard copy given to employees upon joining the company. 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 and emphasis is made on the fact that the company does not condone that behavior • Responsibility is allocated to all employees to protect Human Rights through being one's brother's keeper. • The company holds HR Barazas and tool box talks to inform employees on the policies the company has put in place.

MRM places emphasis on equal and fair treatment of all stakeholder through:

- Clearly defined policies and procedures on recruitment of employees and suppliers to ensure fair selection process
- HR Policies put in place to ensure equality and fairness to all the employees
- 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, color, political interests and affiliations, HIV/AIDs status, or trade union membership.

- MRM has a policy on recruitment that ensures all employees are employed based on competency and compatibility with the company and the role.
- Everyone employed has to go through a rigorous recruitment process, that involves shortlisting based on the competency being looked for, interview with a panel of at least three people and background check.
- 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)
- The company gives 90 calendar days maternity leave, 14 consecutive days paternity leave days and up to 45 days of full pay for sick leave to all employees.
- Establishment of a 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.

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.

- Employees hired to work in the company must apply for the open position and go through the recruitment process before joining the company.
- 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 are held with employees to openly discuss new ideas and concerns.
- Suggestion boxes/ idea boxes have been placed and employees are expected to place suggestions and queries they need addressed
- In our endeavor to increase transparency and accountability, 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 is a member of Kenya Association of Manufacturers, Federation of Kenyan Employers and Kenya Private Sector Alliance that guides the company on best practices to avoid contravening any human right

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
- Some employees have been trained on first aid and fire safety in case of eventualities.
- Health and safety policy and committee are 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 dependents are covered.
- All disciplinary issues are handled in line with the labour statutes and employees are given an opportunity to be heard before any 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 mothers have a 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.
- The company has provided transport to employees in all categories making commuting to work easy and smooth.
- The company has continuously complied with all safety regulations directed by WHO and the government of Kenya, through the ministry of health, to curb the

spread of Covid – 19 virus and other forms of flu brought about by extreme weather conditions.

MEASUREMENT OF OUTCOMES AND VALUE TO COMPANY

- With the idea box, we receive a number of concern every month
- The Ombudsman's office has not received any grievance or complaint from the employees.
- Reduced number of accidents and injuries in the plant.
- Increase in awareness on safety requirements and procedures shown by a number of reports on near misses and safety risks and hazards
- No cases of Human Rights violation have been reported.
- Stop for safety talks have been conducted to promote the safety culture once every month
- Introduction of safety briefs which are done on a monthly basis per department.
- 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.
- All new employees have been inducted on all company policies
- Training has been conducted on Occupational Health and Safety, Fire Marshalls and First Aid

Examples of outcomes:

- There has been improved flow of information due to the use of the suggestion box/ idea boxes, HR Barazas. This is both vertical and horizontal flow of information
- The open-door policy has immensely improved work inter-relations as there is better top-down and bottom up communication
- Interpersonal relations and team work have 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.
- Improved work life balance brought about by the staff transport with employees reporting to work on time and leaving for home when they should leave and not stretching beyond normal working hours
- With the stretch of Covid-19 virus, the company has continuously organized booster shots for all staff from time to time.

COMMITMENT

MRM 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, safety, expression among others. The company is fully committed to the principles of equal opportunities/ fairness and diversity in the workplace. We regard personal harassment as a discriminatory and unacceptable form

	of behavior.
Human Rights Future	ACTIVITIES PLANNED FOR NEXT YEAR <ul style="list-style-type: none"> • Implementation of training plan in compliance with skills matrix. • Implementation of training plan for those identified as high potentials and have been put in the succession plan to become 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. • Develop and share a current HR handbook that will have all the policies. Its important for all employees to be aware of what is expected of them, their rights and privileges • Implement a new culture change programme dubbed EPICC
LABOUR RIGHTS	
UN Global Compact Principles Covered	Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: Business should support the elimination of all forms 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
issues/core subjects:	<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 5) Health and safety 6) Decent work 7) Talent development

Labour Rights Current	<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 established 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>
	<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 through the company's intranet • MRM employees sign 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 and international • 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.
	<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

	<p>employees and the management. The current CBA the company is operating on runs for the period 2021 to 2022.</p> <ul style="list-style-type: none"> • 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 an open door policy. • HR Barazas are held on a regular basis to provide forums for open discussions between management team, union and other categories of staff. • MRM has an office of the Ombudsman where employees have the freedom to express themselves and bring forth issues without fear of stigmatization. <p>Discrimination and forced labour is discouraged and not acceptable in the company</p> <ul style="list-style-type: none"> • 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 standards of living in the area. • MRM has a clearly stated recruitment procedure that all prospective employees go through. It eliminates any form of discrimination and bases employment on competency. • The company adheres the Country's Employment Act in regards to child labour and employment of children. • To avoid child labour the company respects the country's minimum age, which is 18 years. We confirm the age using the candidates national identity card issued by the government. • 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. <p>The company strives to create an environment in which the employee is safe and able to grow in their career and personal life</p> <ul style="list-style-type: none"> • 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. • We conduct training based on the company need and the employee's competency gaps. This eliminates any form of discrimination. • Continuous and fair performance evaluation is conducted. We conduct both mid-year and end of year performance reviews and appraisals. • Management team is encouraged to coach and mentor all their subordinates to facilitate learning, growth and development • Proper Health & Safety gear-personal protective clothing are provided for all staff
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	<ul style="list-style-type: none"> • 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 to 9 – hour shift for employees. All hours worked beyond the normal 8 hours are compensated either through overtime paid or compensatory off days. • MRM recognizes Sundays as the rest day for all employees. If anyone is required to work on a rest day, then they are compensated accordingly. <p>The company's suppliers also adhere to the principles of the International Labour Organization and Kenyan Law</p>
	MEASUREMENT OF OUTCOMES
	<ul style="list-style-type: none"> • Recruitment policy in place protects the potential candidates against discrimination • The company chooses to cater for the recruitment cost and advises its recruitment agencies against charging the potential candidates recruitment fee • 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 9001:2015 to ensure compliance with all Labour laws • The company has no litigation in regards to Labour Rights Issues • MRM offices are a modern open plan layout that facilitates the open-door policy. • The company established a Mother's lactation room in accordance to The Breastfeeding Mothers Bill, 2017. • The company has enjoyed good industrial relations with no grievance faced. • Epicc program has been launched and it is aimed at breaking the usual thinking patterns and generate new perspectives by proposing new ways of doing things. • We continuously engage in a WhatsApp group that includes all employees regardless of their grade, level or terms of employment

	<p><u>Commitment to Principle 3:</u> <u>Systems /Activities</u></p> <ul style="list-style-type: none"> Collective Bargaining Agreement for the period 2021-2022 is active and in use. <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.
Labour Rights Future	<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 2023 and 2024 Review of the HR handbook to incorporate the updated policies Train the ERC Committee Ensure that the company has a HR Baraza every single month Implementation of the Epicc program to make the employees feel part of the team and their opinions matter as well as boost productivity.
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 self-audit submitted to NEMA done by an EIA licensed expert ISO 14001:2015 (Environmental Management System), ISO 9001:2015 (Quality Management System) and ISO 45001:2018 (Occupational Health

	<p>and Safety Management System) certification and periodical external and internal audits</p> <ul style="list-style-type: none"> • Timely investigations and closure of incidents as they occur • Reporting of occupational incidents as required by the law (OSHA 2007) and internal Health and Safety Procedures • Incident reporting and investigation • Continuous monitoring of HSE Performance Indicators such as Environmental Exceedances, Lost Time Injuries (LTI), Medical treatment Injuries(MTI) and First Aid Cases(FAC) • Quarterly Environmental & Occupational Assessment through Effluent discharge sampling and analysis, Noise level measurement, Ambient air testing i.e. Sulphur Dioxides, Nitrogen oxides and Nitrogen Dioxides and Particulate Matter(PM10) Concentration • Stack Emission sampling and analysis as per the Air Quality Regulations 2014 • Annual Occupational Health & Safety and Fire Safety audits by external DOSHS 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 • 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 our OHSE policy statement we are committed 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 three years the company has heavily invested in energy management activities such as: • Installation of sun roofs to utilize natural lighting hence reducing the power consumption
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	<ul style="list-style-type: none"> • Installation of Variable frequency Drives (VFDs) for the cooling tower to reduce energy consumption. • Light retrofitting from halogen lamps to LED hence reducing the Power consumption • Installation of efficient systems i.e. modern color coating line with a Regenerative Thermal Oxidizer (RTO) to utilize regenerated heat hence reducing LPG consumption and emissions of Volatile Organic Compounds (VOCs). • Plant-wide lagging and cladding for all steam systems reducing the HFO consumption • Revamping of the Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) for efficient waste management with an objective of zero environmental exceedances. • Revamping of the 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. • Periodic inspections and audits of compressed air, LPG and oil leakages within the process areas. • In addition, an entire exercise of site improvement and optimization is ongoing. <p>In addition, routinely:</p> <ul style="list-style-type: none"> • 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 liquid 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. • 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, audits 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

	<ul style="list-style-type: none"> • Installation of modern STP unit in the Athi River Plant • Investment in solar retrofits • Investment in LED retrofits for the Athi River Plant • Complete reroofing the Athi River Plant to better utilize natural lighting and reduce power consumption • Reconstruction of the waste disposal area to better handle and manage the waste • Rain water harvesting implementation • 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.

	<ul style="list-style-type: none"> 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 prevents employees from receiving gifts from customers and if they do they ought to declare it.
	MEASUREMENT OF OUTCOMES <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. 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 ensures that our products meet the set standards. Pricing of all our products are standard and similar for all our customers
	OUTCOMES Conducting audits periodically and taking corrective action where the set standards are not met.
	ACTIVITIES PLANNED FOR NEXT YEAR <ul style="list-style-type: none"> Continuously sensitize employees on the business code of conduct and corporate governance. Display the business code of conduct in strategic locations. Periodical 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 policies
SOCIAL ISSUES	
Core Subjects	1) Social Impact on Local Communities 2) Fairness to customers / consumer protection 3) Product Quality and Safety 4) Respect to business partners
Social 1	ASSESSMENT, POLICY AND GOALS 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. 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>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 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. <p>SYSTEMS AND ACTIVITIES</p> <p>1. Social Investments</p> <p>a) Mabati Medical Centre</p> <ul style="list-style-type: none"> • The medical Centre provided services to 31,169 patients in 2021. 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. • The facility also organizes free medical camps every year as a community outreach program to provide diversified primary healthcare services. The last mega camp was held in March, 2022 with a total number of 1,820 people seen and 12,863 seen cumulatively. People received free treatment while others underwent free cataract operations conducted by the Lions Club of Mombasa, Pwani. So far we have also had a number of outreach programs, which included the Dental health awareness outreach in Misufini Primary School, Cancer awareness outreaches that

	<p>have seen 334 people screened and healthy vision month that benefitted 30 patients. The medical Centre also organizes weekly Mother & Child clinics and cervical cancer screening services by reaching out to community members to create awareness on the importance of preventive health care</p> <ul style="list-style-type: none"> • Eye and Dental Clinics have been set up and are fully operation in the Medical Centre. Specialized treatments and surgical treatments like cataracts removal and extractions were provided to over 200 patients in partnership with partners like the Lions Club of Mombasa Hospital. • in 2021 a donation of 1,225 food hampers to vulnerable patients visiting the Mabati Medical Centre was made. the food hampers impacted a total of 7,605 families and cushioned them against the impact of Covid-19, drought and famine that affected communities around Mariakani. • the Radiology and Laboratory departments have continued to be referral diagnostic points for the surrounding medical facilities including some government medical facilities. Lately, the Laboratory conducted 8,559 laboratory tests while the Radiology department provided radiology services and tests to 2,542 patients. The quality diagnostic services that we provide have seen more and more patients getting efficient and quality treatment. • Our partnership with the BOMU Medical Centre has also enabled us reach out to many more patients in Kilifi county who are in need of HIV/AIDS testing and counselling services
	<p>b) Mabati Technical Training Institute</p> <ul style="list-style-type: none"> • The MTTI has continued to provide training opportunities for poor and needy youth from communities around Mariakani. over 10,000 trainees have so far been supported to acquire skills in diversified trades such as Electrical Wireman, Electrical Fitter, Arch welding and Turning, Motor Vehicle Mechanical and Electrician, Dressmaking and Tailoring, Hairdressing and Beauty therapy, Motor Cycle repair maintenance, Plumbing and General fitting. • The training offered at the MTTI is aimed at allowing the youth to acquire relevant technical and life skills to enable then access employment opportunities an earn decent incomes to support themselves and their families • MTTI students sat for the National Industrial Training Authority (NITA), a national examining body and recorded 100% pass. The trainees who graduated have been absorbed in the various industries of operation, while some have started their own businesses within the Coastal region. • With the world becoming more digital and digital skills gaining prominence in today's economy, the Mabati Technical Training Institute has so far taken 1000 trainees through basic computer operation skills, to enhance their skills and allow them adapt to the changes in the labor market. • The trainees enrolled at the MTTI were supported to access internship opportunities in nearby companies to enable them acquire desirable

	<p>experience after training to effectively fit in the labor market.</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 Youth Empowerment Program Caravan</p> <ul style="list-style-type: none"> • MRM, in partnership with the Chandaria Foundation runs a Youth Empowerment Program through 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 20 hours training on ICT and Entrepreneurship. The program seeks to empower the youth through digital technology, business innovation and entrepreneurial skills. • A total of 2460 youths from Kilifi, Machakos, Nairobi and Meru have been taken through the Basic ICT and Entrepreneurship skills • We have collaborated with the State Department for Youth, Co-operative Bank Foundation and Moringa School 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. • Those graduating from the Chandaria Youth Employment program were supported to access startup capital after going through relevant financial literacy lessons.
	<p>2. Donations and Assistance to the Community</p> <ul style="list-style-type: none"> • Donation of rainwater harvesting systems to Westlands Primary School and Starehe Girls Centre • Partnered with the Chandaria Foundation to put up a bakery and a clothing and textile unit valued at Ksh. 15 million at the Langata Women's Prison. • Roofing sheets donation to a cancer survivor (Ms Teresia Wambui) • Sponsorship of 40 students on the Eneza Education Platform • Donation to the M.A.S.K Prize Competition • Sponsorship of the Safal Cornell Kiswahili Prize for African Literature • Roofing donations to public schools across the country (St. Paul Sigamore Secondary School and St. Theresa Secondary School.) • Donation to the Magical Tembo Naming Festival in partnership with the

	<p>Kenya Wildlife Services</p> <ul style="list-style-type: none"> • Donation to the Mabati Technical Training Institute through Global Giving by MRM • Tree planting activities in public schools across the country (Misufini Primary School, Kirumbi Primary School, Kirumbi Girls Secondary School, Ribe Girls Secondary School, Ribe Boys Secondary School). <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 & quality medical services, having seen 31,169 patients in 2021. • Through the various community outreach programs at the Safal MRM foundation, family members have managed to improve the conditions in their homes, acquire skills and knowledge to participate in various social economic development initiatives in their communities. This is a major contribution by the MRM in improving the social economic development and well- being of communities around its areas of operations. • Youth and women are able to access more economic opportunities after training. • Community members supported through the Health programs at Medical Centre have acquired knowledge and information on how to care for themselves by investing more on prevention of life style diseases and contributed to the well- being of families/ reduced vulnerabilities of community members/contributed to reduction of poverty levels • Through our foundation, the Safal MRM Foundation, we successfully rolled out tree planting drives in public schools and social places in Kilifi County in the coastal region of Kenya and so far, we have managed to plant over 5000 trees, which will be cared for by the young learners through the 4K clubs in the respective schools. This tree planting initiative is to train school going children and youth to understand the importance of environmental conservation. This initiative also allows us to interact further with pupils from the different schools and offer mentorship sessions to candidates on career choices.
	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Establish strategic linkages with other stakeholders and partners to promote initiatives that are aimed at contributing to the realization of SDGs 3,8,11&12 that are aligned to the four CSR strategic pillars; Health, Education, shelter and Environment <p>HEALTH</p> <ul style="list-style-type: none"> • Increase our reach through community outreach programs • Organize annual medical camps • Continue in the fight against COVID-19 , by offering COVID-19 vaccines and educating the community on safety measures against the pandemic <p>EDUCATION</p>

	<ul style="list-style-type: none"> • Expand our partnerships with other stakeholders to reach more youth and build on current partnerships • Diversify our training programs by introducing new courses to meet current market demands <p>ENVIRONMENT</p> <ul style="list-style-type: none"> • Identify stakeholders to work with to scale up our environmental interventions • Integrate environmental interventions in all our activities • Mobilize resources from other partners to invest in community environmental projects • Motivate employees to participate more in environmental activities <p>SHELTER</p> <ul style="list-style-type: none"> • Form partnerships with disadvantaged schools in our communities and donate roofing sheets, as well as offer more activities like mentorship.
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 9001:2015 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.
	SYSTEMS AND ACTIVITIES

	<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 and new employees induction and onboarding 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 45001:2018 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 and installation process • 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 through the EPICC program
Social Future	Product Safety And Quality
Social 3	<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</p>

	<p>and innovating for world class solutions.</p> <p>We have moved our mentality and the company culture to focus on the customer first. This 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 9001:2015 certifications. • Ensuring all Employees and Contractors understand their role with a culture of “doing it right the first time” and “Customer First” • Actively promoting a quality first culture, focused on continual improvement.
	<p>SYSTEMS AND ACTIVITIES</p> <ul style="list-style-type: none"> • ISO 9001 – 2015 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 9001:2015 Certification
	<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	ASSESSMENT, POLICY AND GOALS

	<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 • 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
Social Future	<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 i.e product knowledge

	<p>enhancement</p> <ul style="list-style-type: none"> • Continue training more roofing installers on how to install roofs and our various products.
ECONOMIC	
Financial sustainability	<p>ASSESSMENT, POLICY AND GOALS</p> <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	<p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • Set up of Key performance indicators for the business • Business Review sessions
	<p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> • Through Performance management process • Board reviews
How we intend to make this COP available to our Stakeholders	
<p>We will post it not only on the Global Compact Network Site but also on our Corporate website – www.mabati.com</p>	