

Communication on Progress

Year: 2012

Statement of Continued Support of the UN Global Compact

I am pleased to confirm that Bidco Oil Refineries Ltd supports the ten principles of the United Nations. Global Compact in respect to Human Rights, Labour rights, the environment and Anti-corruption. With this communication, we express our intent to support and advance those principles within our sphere of influence. We commit to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company and undertake to make a clear statement-to our employees, partners, clients and to the general public of this commitment.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our effort to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact Network, and annually thereafter according to the Global Compact COP policy.

Sincerely Yours

Vimal Shah

CHIEF EXECUTIVE OFFICER

Date: 10th June, 2012

Company name: Bidco Oil Refineries Ltd

Sector: Manufacturing

Number of employees: 2000

UN Global Compact signatory since: October, 2009

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Brief description of BIDCO's nature of business

Bidco is one of the leading FMCG companies in the region, dealing in the processing and marketing of edible oils, fats, margarine and hygiene products.

Scope of this COP

This report indicates actions that Bidco Oil Refineries Ltd has taken to implement the Global Compact principles during previous years since we joined the United Nations Global Compact. It also indicates where the company management has undertaken specific steps to implement and then measure the results of actions in different areas. Precisely, this report covers all the four areas of CSR namely; environment, labour, human rights and anti-corruption.

Environment

UN Global Compact principles covered:

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

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

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

Environment Current

Commitment

BIDCO understands that its activities occasionally affect the environment and the Communities in which we operate. The company believes that it has a responsibility to identify and manage these impacts as effectively as possible.

A brief description of our Processes, policies or Systems

- We are totally dedicated to preventing pollution in order to assure protection of human Health and the environment and are committed to achieve its continual improvement through the effective operation of the environmental management system.
 - We aim to ensure that our kitchen appliances are energy efficient and that they release the minimum amount of waste product.
 - We monitor record and evaluate the consumption of energy and enhance efficiency through re-design and implementation of energy efficiency programs.
 - We review environmental objectives and targets from time to time in order to minimize resource consumption and improve our environmental performance.
 - We review the policy, where necessary, to ensure our activities, products and services are appropriate to nature and have no adverse effects on human health and the environment.
 - We communicate our environmental policy to all our stakeholders. Measurement of outcomes and value added for our company.
- Employees are fully aware of what is expected of them as far as the ten principles are concerned.
- We have managed to set clear guidelines and policies to guide all stakeholders in the implementation of the principles.

Activities implemented in the last year

- We now use Cogeneration for our production, which is environmental friendly, in many ways. It eliminates unwanted solid wastes from the environment; it has less emissions and significant reduction in greenhouse gas emissions.

- With a state of the art recycling system (Effluent Treatment Plant), Bidco has minimized environmental pollution and damage by our waste products. We recycle water through our treatment plant thus there is no waste.

Environment

Future

Activities planned for next year

To ensure that we involve all our employees and suppliers in our environmental initiatives being undertaken by the company. This will involve trainings and seminars for our staff on the importance of environmental conservation

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

Labour Rights Current

BIDCO is also an equal opportunity employer. The company is committed to providing equal opportunities to all workers and job applicants. It aims to ensure that no job applicant shall receive less favourable treatment on the ground of sex, marital status, sexual orientation, race, colour, religion or belief, nationality or ethnic or national origin.

A brief description of our Processes, Policies or Systems

The company does not treat an employee or job applicant less favourably for any reason relating to their disability.

□ BIDCO does not utilize or promote forced or child labour of any kind. The company adheres strictly to country laws governing labour standards.

□ BIDCO aims to attract and retain skilled employees and enhance the life/work balance of each individual. The group offers its staff a range of benefits including a pension scheme, health insurance as well as maternity and paternity leave amongst others.

□ Also available to employees are personal development and training programs designed to enhance the employee's skill base

□ All employees are responsible for complying with this principle and for ensuring that the standards of behavior required by the company are observed by:

□ BIDCO regards direct or indirect discrimination, victimization and harassment. All breaches of this principle are regarded as a serious disciplinary matter and are subject to Company's Disciplinary procedure.

- We ensure that people living with HIV or AIDS are given the same rights, benefits and opportunities as people living with other life – threatening conditions.

Labour Rights Future

Activities planned for next year

□ To involve all employees and other concerned stakeholders in the implementation of labour rights principles and the Government of Kenya newly introduced labour laws

As a result of the already implemented policies, we have had no major labour conflicts and this has led to cordial working relations between management and staff.

Human Rights

UN Global Compact principles covered:

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

Principle 2: Business should ensure that they are not complicit in human rights abuses

Human Rights

Current

Commitment

BIDCO supports the Universal Declaration of Human Rights in all its spheres of influence. Bidco in line with its policy of “happy healthy living” is firmly committed to the provision of a healthy and safe working environment for its staff. We document, effectively implement and maintain an Occupational Health and Safety Management System that meets the requirements of applicable legislation.

A brief description of our Processes or Systems

- We identify, effectively control and strive to eliminate situations likely to cause injuries to persons or be hazardous and cause damage to assets
- BIDCO records all accidents and/or near misses and investigates these to determine if preventive action is required to prevent further accidents
- We regularly measure our performance and review this policy periodically in order to continually improve our Occupational Health and Safety Management System ensuring that it remains relevant and appropriate to our organization.
- We encourage the full participation of our employees and other stakeholders in matter concerning Occupational Health and Safety
- We communicate our health and safety policy to all our stakeholders.
- As such, we do not require HIV screening as part of pre-employment or general workplace physical examinations.

Activities implemented in the last year

- Offered educational support to school going children of our members’ staff
- Working with over 10,000 farmers in Western part of Kenya where we train them on the best agronomical practices. We also give them ready market for all their produce
- Trained over 80 Peer Educators across the factory to educate our people on the impacts of HIV/AIDS and how to live a positively

Measurement of outcomes and value added for our company

- There is an overwhelming fulfillment in making other people’s lives better***

☐ *Registered significant increase in the confidence and commitment levels in the part of our members staff*

☐ *Productivity levels also shot up significantly due to the efforts being implemented by the company towards ensuring the well-being of its employees.*

☐ *The full implementation of our OHS policy has been uploaded by all stakeholders including employees and government agencies*

Human Rights Future

Activities planned for next year

☐ **Not any at the moment**

Anti-corruption

UN Global Compact principles covered:

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

Anti-corruption Current

Commitment: We remain committed to implementing the 10th principle of anti-corruption and ensuring its total elimination in all its forms, including extortion and bribery

A brief description of our Processes or Systems

There are clear guidelines and policies on anti-corruption which the company is still sensitizing its people. Corruption remains an offence in Bidco and the offence is punishable by termination and prosecution.

We also have a policy in place to curb any conflict of interest and to ensure that all tenders are analyzed and opened before a panel to ensure transparency and accountability.

Activities implemented in the last year

We have management systems to establish whether there are any breaches. There are fully trained internal auditors selected from across all departments and also PWC auditors for statutory purposes. We have had no major breaches or audit issues

Measurement of outcomes and value added for our company

Members of staff and other stakeholders are slowly appreciating the importance of ensuring that our systems needs to be corruption free for efficient and fast delivery of services. This is as result of the on going sensitization on corruption.

Anti-corruption Future

Activities planned for next year

More sensitizations and training seminars

How do you intend to make this COP available to your stakeholders?

This Communication on Progress will be published internally on our intranet as well as on the company website.

Donations, awards

- Bidco supports the community in various activities among them are:
An Education Trust Fund from which it gives scholarships to bright but needy students in high schools, colleges and universities within and around Thika.
- The company also supports several charitable organizations and institutions within and around Thika town through monthly donation of its products. Most of these institutions depend on these donations entirely for their upkeep. The company aims to transform the lives of its people, customers and stakeholders positively through giving back to the society as a way of thanking them for their continued support.