

50
years of
excellence

PKF

Accountants &
business advisers

United Nations Global Compact



Communication on Progress

March 2014– March 2015

HE Ban Ki-Moon,
Secretary General,
United Nations,
New York, NY 10017
USA.

21 March 2015

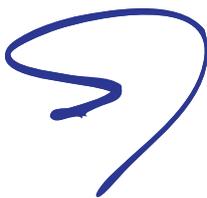
Dear Sir,

Re: Reaffirming our continued support of the United Nations Global Compact 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.

We have given a detailed account of actions taken between March 2014 and March 2015 with regard to implementation of the United Nations Global Compact principles.

Yours faithfully,



Atul Shah
Chief Executive Officer
PKF Eastern Africa

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Statement of continued support of the United Nations Global Compact Principles

With this statement, we are reaffirming our continued support of the United Nations Global Compact Principles. As a professional services firm providing accounting and advisory services, we have a strong commitment to responsible business practices.

All our regional offices in Eastern Africa including Kenya, Uganda, Tanzania, Rwanda, Burundi, Zambia and Somalia/Somaliland and our associated offices in South Sudan, Ethiopia and the Democratic Republic of Congo embrace the UN Global Principles in their day to day operations.

We support public accountability and transparency and hereby submit our Communication of Progress for the March 2014 to March 2015 period. During this period, the firm has celebrated its 50th anniversary.

Through the charity arm of our operations, PKF Foundation, we have endeavoured to actively support the community and enhance social well-being of the society. We remain committed to a better future through our deliberate effort to impact and transform lives through our corporate social responsibility plans and business practices.

We are eager to confirm our continued support for the global compact principles and renew our commitment to this initiative.

About us

PKF in Eastern Africa has offices in Kenya, Uganda, Tanzania, Rwanda, Burundi, Zambia and Somalia/Somaliland with over 700 staff and 40 partners

Since 1964, we have served a wide client profile across diverse industries and sectors in Africa. We are one of East Africa's leading firms of accountants and business advisers, specialising 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 organizations.

The firm prides itself in being an equal opportunity, multicultural firm with the majority of its 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 organisations. 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.

Introduction

PKF Kenya has been a member of the United Nations Global Compact since 2012. With this document, we reaffirm our commitment to aligning our strategic plans and operations, internal and external to our Corporate Social Responsibility (CSR) Policy, “We pride ourselves 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.”

The Global Compact’s ten principles resonate highly with our core values, which define our member firms’ culture and our commitment to the highest standards of personal and professional conduct.

By participating in the Global Compact, we demonstrate our commitment to advancing the business agenda as an active corporate citizen.

Our CSR policy

Our CSR policy revolves around four pillars:

<h3>The workplace</h3>	<p>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.</p>
<h3>The marketplace</h3>	<p>We engage in fair, ethical and responsible business practices in the marketplace.</p>
<h3>The community</h3>	<p>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.</p>
<h3>The environment</h3>	<p>We advocate for good environmental practices and engaging in environmentally friendly practices at the firm, with clients, corporate partners and the general public.</p>

This policy is published on our website: <http://www.pkfea.com/index.php/our-csr-policy>

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

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.

1. 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

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

We uphold human rights in the following ways:

Code of conduct

PKF Kenya has an established code of conduct and core values which is 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:

- i) Producing quality work,
- ii) Meeting clients' needs
- iii) Leading and enabling
- iv) Achieving financial results and
- v) Growing the business.

Our core values

Below are the values that guide our actions:

Clients - We are here to please our clients, without them nothing else matters. We only succeed when our customers improve their operations by using our services. We must understand their needs, how they use our services, and how they improve their business. Buying our services is just the first step. Successful implementation and value creation must follow.

Accountability - we take responsibility for our decisions at the individual and firm levels.

Attitude - we believe that remaining positive and looking ahead are essential parts of achieving our goals.

Balance - we work hard and we are well-rounded employees who combine work, family, and recreation. We make time for fun, and celebrate team and firm successes together.

Boldness - we believe that taking calculated risks encourages growth and new discovery.

Challenge - we push ourselves to the limit, question boundaries, and continually advance.

Commitment - we keep our promises to clients, employees, and their families.

Community - we donate time, money, and resources to local charitable organizations. We build key relationships by supporting our community.

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 values guide our actions and beliefs. Our values 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. 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.

We also seek 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 Kenya 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 Kenya 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 policy is also published on our website and can be found at: <http://www.pkfea.com/index.php/our-ethical-policy>

Our corporate social responsibility

We have a strong commitment to responsible business practices and recognise 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 local office CSR Committees with all planned activities reviewed and sponsored by the PKF Foundation.

PKF in the community

At PKF in Eastern Africa, 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 support education, environment, health and charitable initiatives.

In 2014, we made donations to the following organisations:

Jim McFie Education Fund

Dr. Jim McFie, a distinguished accountant who has trained many accounting professionals, in PKF, in Kenya and beyond. He is one of the founders of the renowned Strathmore University. The fund was set up to create a revolving fund to pay school fees for bright students keen to pursue business courses. PKF Foundation pledged financial support with our partners making personal donations to the fund.

Elimu Foundation

The Elimu Foundation is a registered charity in Kenya, UK and the Netherlands. It seeks to improve educational facilities at slum schools in Mombasa to create an environment conducive to learning.

Kwale District Eye Centre (KDEC)

The centre was founded in 1993 with the aim to provide affordable, accessible eye care to combat the high rate of blindness that occurs in the Kwale area. To enable poor patients to undergo surgical procedures which they wouldn't otherwise afford, the PKF Foundation made a donation to the centre.

Faraja Cancer Support Trust

PKF emerged first in a White Water Rafting Challenge at the Tana River in Sagana, Kenya which was aimed at raising funds for the Faraja Cancer Support Trust. These funds support the charity's work in providing complementary support services to cancer patients and their families.

Bless a Child Foundation

Bless a Child Foundation received a donation from PKF to be utilized to provide free treatment and medication to children suffering from cancer.

Kawangware Street Youth Project

The project was a beneficiary of a donation from the PKF Foundation. It has been rehabilitating street children and providing them with opportunities to work, making gift bags out of recycled paper. It was started in 2003 and the founders Morris Auka and Agosto Githaiga hope to grow the project into a community centre to help street children and widows. A sample of their work are handmade PKF gift bags.

Mater Heart Run

The PKF Foundation was once again privileged to sponsor the Mater Heart Run. We have continued to sponsor the Mater Heart Run, an event which enables disadvantaged children to get life-saving surgeries for congenital heart problems which they would otherwise not afford.

Oshwal Youth League

Our staff participated in a pedal kart competition which raised funds towards a home for the elderly project.

Community day

This is an annual event where all staff participate in corporate social responsibility activities funded by the PKF Foundation. This year, the Nairobi Office chose to go to the St Juliet's Education Centre in Kibera, Nairobi. The school is located in the Kibera Slums and has a pupil population of 351. The staff painted the school walls, donated iron sheets for the construction of the school's kitchen and the classroom roofing.



Our staff donating items to a school in the Kibera slums

(November 2014)

Kampala staff were at Save Street Children Uganda (SASCU) in Kamwokya. SASCU is a non-governmental organisation that supports street children with key elements that improve children's well-being through a comprehensive approach that ensures all vulnerable children have a healthy beginning and are protected from violence, exploitation, neglect and abuse.



Our donation to a children's home (November 2014)

National budget seminars

We provide our clients and the general public with the content and implications of the national budget that is presented by the Ministry of Finance. We demystify the content of the budget and highlight areas of interest to our clients and general public.

2. 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

We apply the labour principles at the firm level through the Code of Conduct and our Human Resource Policies. These also 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.

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

- Providing interesting and challenging work and developing 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 will not tolerate behaviour that contravenes these principles

Our code of conduct can be found at: <http://www.pkfea.com/index.php/pkf-code-of-conduct>

Our Employment Contract

Each employee of PKF Kenya receives an employment contract, upon joining the firm, which meets all the requirements as set out by the Laws of Kenya. 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 the employees such as medical cover, membership to a pension scheme, 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 in Eastern Africa 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.

We 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>

Workplace Activities

In addition to adhering to the labour principles, we sponsored our staff activities to enhance their workplace experience as below:

- Sponsoring staff to climb Mt Kilimanjaro – they reached the highest peak, the Uhuru Peak.



Our staff and friends at the highest point in Africa (October 2014)

- Sports tournaments



Our staff in a water rafting challenge (May 2014)

- Health talks



Our staff at a cancer awareness talk in November 2014

- Recognising staff who excel in their professional examinations
- In 2014, while celebrating our 50th anniversary, we specially recognised our long-serving employees

3. Environment

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

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.

Implementation

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. To read more about our environmental policy, please visit our website at: <http://www.pkfea.com/index.php/environmental-policy>

We:

1. Ensure that the firm complies with, and where possible exceeds, all current relevant environmental regulations, laws and codes of practice
2. Raise awareness about environmental issues by displaying of our environmental policy on our website and all our electronic communication
3. Consider, and where possible implement, proposals about reducing our impact on the environment.
4. Provide environmental consultancy services
5. Partner with Kenya Forest Services:

The 2013 theme for the Nairobi office was inclined to the environmental pillar of our CSR Policy. In conjunction with the Kenya Forest Services, we planted trees in the Aberdare highlands in an effort to increase Kenya's tree cover. Tree growing for conservation is a sure avenue towards attaining carbon neutral status an aspiration for leading corporates the world over. Over 2,000 seedlings were planted in an area covering over 5 acres and we continue to maintain them.

In 2014, we made the following donations:

David Sheldrick Wildlife Trust

The David Sheldrick Wildlife Trust is an orphan-elephant rescue and rehabilitation program and one of the pioneering conservation organisations for wildlife and habitat protection in East Africa. PKF Kenya adopted an orphan elephant named JASIRI, born in December 2011 at the Amboseli

National Park. He was 15 months old and alone when he was found by the Trust, 3 months after his mother had been killed by poachers.



Jasiri in June 2014

To know more about what they do and support them, visit their website www.sheldrickwildlifetrust.org.

Lewa Wildlife Conservancy

The PKF Foundation made a donation to the conservancy to aid in supporting the environment conservation efforts. Other than its conservancy efforts, the conservancy has initiated socio-economic, education, healthcare and other development programs for the communities around it.



Lewa Wildlife Conservancy representatives receiving a donation from our leadership (December 2014)

4. 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](#)

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

Our Ethical Policy

Our ethical policy is at the core of our approach to our business. 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.

As accountants and business advisers, we act against 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.

This 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

Every day and every assignment is a challenge, but also a chance to demonstrate our code of conduct in action – to act professionally and ethically. We have provided channels for whistleblowing where staffs have failed to uphold the code of conduct.

Our services

As a leading professional services firm, we continue to proactively support the adoption of the International 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. We also provide technical training to our clients on making financial disclosures.



Clients at a training session (July 2014)

Staff training

All staff are provided with training on anti-corruption. They are also equipped with knowledge on ways to detect money laundering when dealing with client information. As stated above, in upholding our ethical obligation as a professional services firm, all effort is employed to ensure we do not condone corruption.

