



**2019 COMMUNICATION ON PROGRESS (COP) REPORT
SUBMITTED TO THE UN GLOBAL COMPACT
ON
22ND NOVEMBER 2019**

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1.0. Statement of Continued Support by Chief Executive Officer (CEO)

Cooper K-Brands Limited (CKL) became a signatory to the UN Global Compact in 2015. The company has recorded progress and continued improvement in its effort to incorporate the 10 UN Global Compact principles addressing Human Rights, Labour, Environment and Anti-Corruption to our daily operations.

I hereby express our commitment to upholding the 10 principles of the UN Global Compact by incorporating them in our company processes. We do so, not for compliance, but as one among many ways to do a responsible business.

I am pleased to present to you our 2018 Communication on Progress (COP) report. The report describes a number of activities the company undertook in the previous year taking into account the 10 UN Global Principles.

We look forward to continued improvement.

Mucaï Kunyiha

**Group Managing Director
Cooper K-Brands Limited**

2.0. Purpose of the Report

COP report outlines progress CKL has made towards adopting and continually improving its efforts towards the realization of the 10 principles of the UN Global Compact on its daily operations. Derived from international human rights instruments namely: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, the 10 UN Global Compact principles addresses four main areas namely: Human Rights, Labor, Environment and Anti-Corruption.

CKL submits to the UN Global Compact an annual Communication on Progress (COP) report indicating the company's progress in incorporating the 10 UN Global Compact principles in the company's operations. It is against this backdrop that CKL submits its COP to the UN Global Compact.

3.0. About Cooper K-Brands Limited (CKL)

Cooper K-Brands Ltd (CKL) is a leading manufacturer and distributor of agricultural inputs for livestock and crop protection, in East and Central Africa. For over a century, CKL has delivered high-quality products and solutions for livestock farming (feed additives, premixes, milk replacer, mineral supplements, hygiene & disinfectants, dewormers, anti-infectives, vaccines, biologicals, bull semen, veterinary essentials and ecto-parasiticides). In 2010, CKL diversified further into crop protection (fungicides, herbicides, foliar fertilizers, termiticides, insecticides and soil conditioners). CKL has regional presence in Kenya, Uganda, and Rwanda. CKL remains committed to offering quality livestock and crop solutions which enable increased production and productivity on the farms. Visit CKL website <http://coopers.co.ke/> for more information.

4.0. Description of practical actions and Measurement of Outcomes

4.1. Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | Principle 2: make sure that they are not complicit in human rights abuses.

The Occupational Safety and Health Act, 2007 and the Fire Risk Reduction Rule (FRRR), 2007 require fire risks to be adequately managed in work places. Specifically, rules 36 of (FRRR, 2007) requires that every work place conducts a fire safety audit at least once in every 12 months. These audits should be conducted by the Directorate of Occupational Safety and Health Services (DOSHS) under the Ministry of East African Community (EAC), Labour, and the Social Security Services.

The company undertook the following activities to promote human rights, consistency on compliance as required by law and in practicing Good Manufacturing Practice (GMP):

In the period 2018, the company conducted a statutory Fire Safety audit and an Occupational Safety and Health Act (OSHA) 2018 audit to meet a legislation requirement of the Occupational Safety and Health Act (OSHA), 2007 and the Fire Risk Reduction Rule (FRRR), 2007 as required by the Kenyan law. To assess work place risks and put in place plans to control

the identified risk, an annual occupational risk assessment was conducted. Recommendations on these audits have continuously been implemented to improve safety of workers. To further ascertain safety of workers, the company also conducted medical blood tests (Cholinesterase enzyme tests) for 71 workers working closely with chemicals. All the 71 workers were found fit to work. The company notes the following progress in an effort to improve working conditions for our workers:

- i. CKL Safety and Health Policy is well documented, signed and regularly reviewed. The policy document remains relevant to current company operations;
- ii. Provision and regular maintenance of Fire Fighting Equipment;
- iii. Provision and refilling of First Aid Kits;
- iv. The company keeps a General Register for Workplaces which records all accident incidences at work. There were two minor motor accidents reported by sales team with no injuries recorded. There were no industrial accidents recorded in the year under review;
- v. The company established seven (7) member Safety Health and Environment (SHE) committee team which records, investigates and reports any near misses, incidents and minor or major accidents for corrective action;
- vi. To minimize injury incidents, CKL has conspicuously displayed various safety warning signage at strategic locations based on hazards and regularly sensitizes staff on work safety related matters. Fire Assembly points are well marked and numbered while fire action plans are well displayed with emergency contact numbers;
- vii. During the year, staff were consistently provided for appropriate Personal Protective Equipment (PPE) such as dust coats, safety boots, gloves, respiratory masks and hard hats. The PPEs are replaced regularly and on need basis;
- viii. Inspection of Plants are done by approved by Plant Examiners;
- ix. Company Sections such as Drench Manual Labelling Room, Ointment Filling, Drench Compounding Room and Drench Filling Room were at their best conditions and the audit report recommended maintaining the same standards;
- x. On April 2019, an examination report was conducted on lifting equipment and pressure vessel which was found to be in good state. Regular machinery check ensures the safety of the user;
- xi. To test effectiveness on emergency response procedures, CKL conducted a fire drill to test its emergency preparedness in the month of August, 2019.

To promote employees' access to information, every third Friday of month, the company holds a town hall meeting with all its staff. The meeting seeks to inform staff about company performance and any information relating to work.



Fire Assembly point 2 at Cooper K-Brands Limited Office Compound.

4.2. Labor

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 labor; | Principle 5: the effective abolition of child labor; and | Principle 6: the elimination of discrimination in respect of employment and occupation.

The company employs adults aged 18 years and has complied with minimum wage standards as stipulated by Kenyan Law. The company has provided additional benefits to its staff which are not necessary instructed by the law.

The company upholds the freedom of association and recognition of the right to collective bargaining. To promote staff collective bargaining agreement, CKL conducted the following activities:

- i. Signed a recognition agreement with Kenya Chemical Workers Union (KCWU) in October, 2019 with membership of 67 employees;
- ii. Collective Bargaining Agreement (CBA) negotiations commenced in May, 2019 and are currently on-going;
- iii. KCWU Union elections were conducted in December, 2018. Two (2) members of staff were elected as Shop Stewards;

- iv. The company’s Human Resource policy details both informal and formal procedures of handling grievances.

4.2.1. Human Resource Status

On human labor, the company recorded employee growth of 8 per cent compared to previous financial year. 78 per cent of employees were male compared to 22 per cent female. Employees were adults and voluntarily employed. The table below gives a per centage of age distribution of our employees:

CKL Employee Age Distribution	
Age-group	Percentage of Employees
20 to 29	33 %
30 to 39	43 %
40 to 49	17 %
50 to 59	6 %
60 and over	1 %
Total	100

4.2.2. Staff Training

The company’s 2018-2023 strategy pillar 3 ‘Drive Productivity’ identifies the need to continually grow staff competencies. The company conducted human resource related activities such as employee engagement survey which informed job evaluation and grading process. The entire exercise led to remuneration adjustments that has greatly improved salary harmonization and improved employment contracts.

On advancing employee competencies, CKL dedicated 0.3 per cent of its revenue to strengthen staff capacity.

The following trainings were conducted in the year under review:

Month of Training	Area of Training	Number of Staff Trained
Between January-December 2018	Monthly Trainings on Good Manufacturing Practices	78
October 2018	Health and Lifestyle	100
January 2019	Road and Personal Safety; First Aid Training;	45
February 2019	Material Safety & Data Sheets (MSDS) in compliance with Good MP requirements	78

March 2019	First Aiders and Fire Marshalls trained on Fire Safety;	39
March 2019	Fire and Emergency Response	166
30th April 2019	Sensitization on Union Matters	67

Through partnership with Kenya Association of Manufacturers (KAM) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) 16 learners/students were placed for skill development. Through this partnership which started in 2017, to date, a total of 61 learners have gotten an opportunity for training at our company.

4.3. Environment

Principle 7: Businesses 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.

Impacts on climate change include unpredictable weather patterns which threaten global food security and flooding as a result of rise in sea levels¹. The challenges have a direct impact on attaining sustainable development². Without action to combat climate change, in the future, United Nations warns that impacts of climate change will be more difficult and costly³. A special report released in October 2018 by the Intergovernmental Panel on Climate Change (IPCC) calls for the need to minimize global warming below 1.5°C.

4.3.1. CKL Eco Care Project

In an effort to protect and conserve the environment, Cooper K-Brands Limited Eco Care Project propagates high quality tree seedlings which are freely distributed to local communities across the country through close partnership with various stakeholders. Through Eco Care Project, the company propagates seedlings which fall in three sections namely: fruit section, exotic species and indigenous species. The project started in 2010 and has so far raised approximately 1,301,479 seedlings, transplanted 1,165,209 seedlings with a survival rate of 73 per cent. Eco Care Project is complementing global and local efforts to reduce global warming to less than 1.5°C by nurturing quality tree seedlings and freely distributing tree seedlings for planting during rainy seasons to local communities including schools.

¹ United Nations. (n.d.). *Climate Change*. Retrieved from United Nations: <https://www.un.org/en/sections/issues-depth/climate-change/>

² United Nations. (2019). *Sustainable Development Goals: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss*. Retrieved from United Nations: <https://www.un.org/sustainabledevelopment/biodiversity/>

³ United Nations. (n.d.). *Climate Change*. Retrieved from United Nations: <https://www.un.org/en/sections/issues-depth/climate-change/>



Tree Seedlings from Eco Care Project have matured into trees at Kinyanjui Road Primary School within Nairobi’s Peri-Urban area.

4.3.2. Fruit Orchard Establishment at Vulnerable Public Homes

The company has the following special environmental protection initiatives at five vulnerable homes. The table below provides information on fruit tree seedlings distributed under Eco Care Project:

Name of the Home	Number of Fruit Trees Donated
Nairobi Rescue Center (a public institution for abandoned children aged 6 months-12 years);	50
Kabete Rehab Centre (a corrective facility for children with delinquent rehabilitation confinement);	135
New Life Trust Group of Homes (for abandoned newborn babies with HIV and AIDS)	36
Tumaini Children’s Home (a privately run home which neighbors CKL);	240
Thogoto Homes (for the aged);	24
Total Trees Donated to Vulnerable Homes	485

4.3.3. Environmental Mentorship School Program

The company’s Eco-care project mentors school going girls and boys in both primary and secondary schools on environmental protection and conservation.



Pupils at Kabiria Primary School are mentored by CKL Team Leader Samuel Karimi on how to establish a tree nursery bed.

- In Kinyanjui Road Primary School in Dagoretti South, Eco Care project has fully transformed the school environment by increasing tree coverage within the school compound. The school received 350 fruit tree seedlings;
- In Kabiria Primary School, the project, in collaboration with Kinyanjui Primary School planted 200 trees and 15 fruit seedlings;

4.3.4. Feed Africa Challenge

Feed Africa Challenge is an internal initiative which trains company staff on how to grow vegetables, fruits and herbs in their respective homes by using simple resourceful methods. The initiative has attracted at least 30 per cent of staff. Last year, the project mentored staff on how to grow herbs/spices and fruit seedlings on containers. Through farming knowledge and skills earned from Africa Challenge, staff have easier access to vegetables, fruits and herbs which have greatly improved their nutrition and supported protection of their environments by planting fruit trees within their environment.



Image of Oranges at one of the staff's home compound through support of Eco Care Project.

4.3.5. 2018 World Environmental Week

On 5th – 8th June, 2018, 25 staff engaged local communities on environmental cleaning on Kaptagat Road. On the same week, the company held a one-day animal clinic where four vet doctors attended to farmers' animals during that week. Farmers received donations of animal drugs as well.

4.3.6. Humanitarian Response on Fire Outbreaks

In the year under review, the company responded to three fires around Kangemi, nearing CKL offices, by donating cash and Non-Food Items (NFIs).

4.3.7. Eco Care New Partnerships

To advance company's effort on environmental protection, Cooper K-Brands Limited Eco Care project signed a Memorandum of Understanding (MoU) with Henry Wanyoike Foundation and Miti Alliance Limited. Project's joint collaboration seeks to increase tree coverage in the country especially in public spaces such as schools. Last year alone, with support from the company, Henry Wanyoike Foundation was able to plant approximately 17,000 fruit trees in public schools in Kikuyu Sub- County and the larger Kiambu County. On the other hand, Miti Alliance Limited with support from Eco Care Project planted approximately 1,650 fruit trees in Kiambu, Kajiado and Nairobi Counties. With close collaboration with Miti Alliance, we hope to establish fruit orchards in public schools and also help schools' plant indigenous trees

along the school boundaries as demarcation to protect school property from public land grabbing.

Through Eco Care Project, Kenya Air Force at its Moi Airbase, East Leigh branch, the company has supported the Army with 84,000 tree seedlings which have successfully been planted in Nairobi and its environ. On 23rd May, 2019, in collaboration with Moi Air Base, Miti Alliance, Earth Guys Limited, Henry Wanyoike Foundation, Team Environment Kenya, Summit Seekers, Kabete Rehabilitation School, local and county administration, the project was able to plant additional 3,000 trees in Nairobi and its environs.



CKL Team Leader Samuel Karimi in a joint tree planting with other partners at Moi Air base, East Leigh branch in Nairobi

4.3.8. 2018 Environmental Audits

The Environmental Impact Assessment Audit Regulations 2003 requires that after the initial and subsequent annual audit of an ongoing project, the company should take all practical measures implementation of the environmental management plan by carrying out a regular self-audit and preparing an environmental audit report on annual basis. To comply, CKL conducted two NEMA self-audits in 2017 by Eco Care Africa Limited and another in 2018 by Stephen Ndiboi, a registered lead Environmental Auditor, NEMA registered number 0699. The company continues to implement recommendations of these audits.

4.1.1 Summary of Commendable Practices

- Initiating the audit process and assigning staff to oversee the process
- Systems are in place to ensure zero wastage of raw materials
- Prior planning of jobs – weekly plans for production
- Fully implementing the Environmental Management measures recommended during the last audit
- Carrying out vendor audits to ensure the suppliers are not destroying the environment
- Providing sufficient breaks for the workers – 2 hours in total every day
- Staff are provided with tea/milk during the morning and afternoon breaks
- Availability of stocked first aid kits with names of officers in charge
- Continuously maintaining neat lawns including numerous trees both indigenous and exotic
- Segregation of waste and storing it separately in a locked area
- Adequate safety signs and measures in place
- A tree and fruit nursery and donating the seedling or selling them at very discounted prices
- An active Environmental, Health and Safety committee
- Partnerships with schools and Community Forest Associations (CFA) to ensure the trees survive
- Provision of PPEs and full use/adornment of personal protective equipment (PPE) by the workers
- There are clear waste disposal practices e.g. splitting chemical drums to avoid being put into wrong use
- Facility well lit and additional ventilation in production areas

Some of the CKL commendable practices cited in the environmental self-audit report 2017/2018

To encourage and implement environmentally friendly technologies, the company installed a 200 KWP Photo Voltaic (PV) Solar Rooftop System on its new multimillion livestock nutritional supplement factory in Tatu City. This effort seeks to improve the company's energy efficiency.



Newly launched CKL Factory in Tatu City is installed with Solar Power Panels to utilize solar energy.

4.4. Anti-Corruption

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

In January 2018, during the 30th Assembly of Heads of State and Governments, the African Union declared 2018 as the African Anti-Corruption Year. During the Assembly, Heads of State committed to fight corruption and its negative impact as a way to achieve among others, the 2030 global agenda on sustainable development.

To fight corruption, the company's 'Ongea' (translated as 'speak up') platform: <https://coopers.ongea.io/> was established as an anonymous web based platform where employees and other external stakeholders in the business can report any matters related to corruption or bribery within the business. Staff have been encouraged to use the anonymous platform to state their grievances or opinion regarding any issue at the work place. In the year under review, three reports were filed through the portal which were successfully addressed during staff meetings. These reports touched on below issues:

- i. Product stock outs and their effect on staff earnings and morale;
- ii. Queries about CKL hiring process;
- iii. Complaints about a senior staff member.

5.0. Upcoming Year 2019 Activities

The company plans to undertake the following activities among many others in 2019:

- Create a Sustainability Communications desk to champion Sustainability vision of the company in line with the global development framework; exploring opportunities brought about by the 17 sustainable development goals;
- Test the company's emergency procedures by holding an emergency preparedness drill and a fire drill;
- Continuous holding of Safety Health and Environment (SHE) committee meetings to ensure consistency on implementation and improvement on SHE related matters;
- Conduct machinery audit to ensure safety of machines for employee use;
- Conduct a sensitization workshop amongst the company management (heads of department), employees registered with the Kenya Chemical Workers Union (KCWU), union representatives, staff representatives and KCWU on union related matters;
- Build capacity of Employee Relation Council;
- Train staff on Material Safety & Data Sheets (MSDS) in compliance with Good Manufacturing Practices (GMP) requirements, road and personal safety and First Aid Training and HIV/AIDS;
- Hold joint Eco Care monitoring and evaluation on already established orchards and tree planting greening initiatives;
- Participate in Sustainability related initiatives related to company operations.

6.0. Conclusion

Communication on Progress (COP) 2018-19 report seeks to inform our stakeholders on the company's progress and continued improvement as we integrate the ten principles of the UN Global Compact into our company's daily operations. Since we started doing so back in 2015, we have witnessed tremendous improvement. Our staff enjoy a flexible, safe and an enabling work environment. Our compliance to both international, regional and national regulations has enabled our company and business to operate safely and within the confines of the law. This has continually enabled our business to earn trust amongst our stakeholders. As years pass by, our company through the Eco Care Project is conscious on the need for sustainable development and the important role the environment plays in this regard. The company's Eco care Project has strengthened its efforts to propagate and nurture more indigenous, fruit trees and herbs and with local partnerships, our climate actions includes among others, greening local schools and vulnerable homes by planting and nurturing trees.

As a company, we acknowledge challenges associated with corruption. We purpose continuously to improve our supply chain operations. We have made public our whistle blowing platform: <https://coopers.ongea.io/> to report on cases of corruption.

As a company, observing the 10 UN Global Compact principles is not just a mere compliance but our sole responsibility towards a sustainable business. We renew our commitment and support company's initiatives which support realization of the 10 principles. Our commitment

is to do even better in the coming years. We firmly believe in doing a responsible business hence our continued contribution to sustainable development.