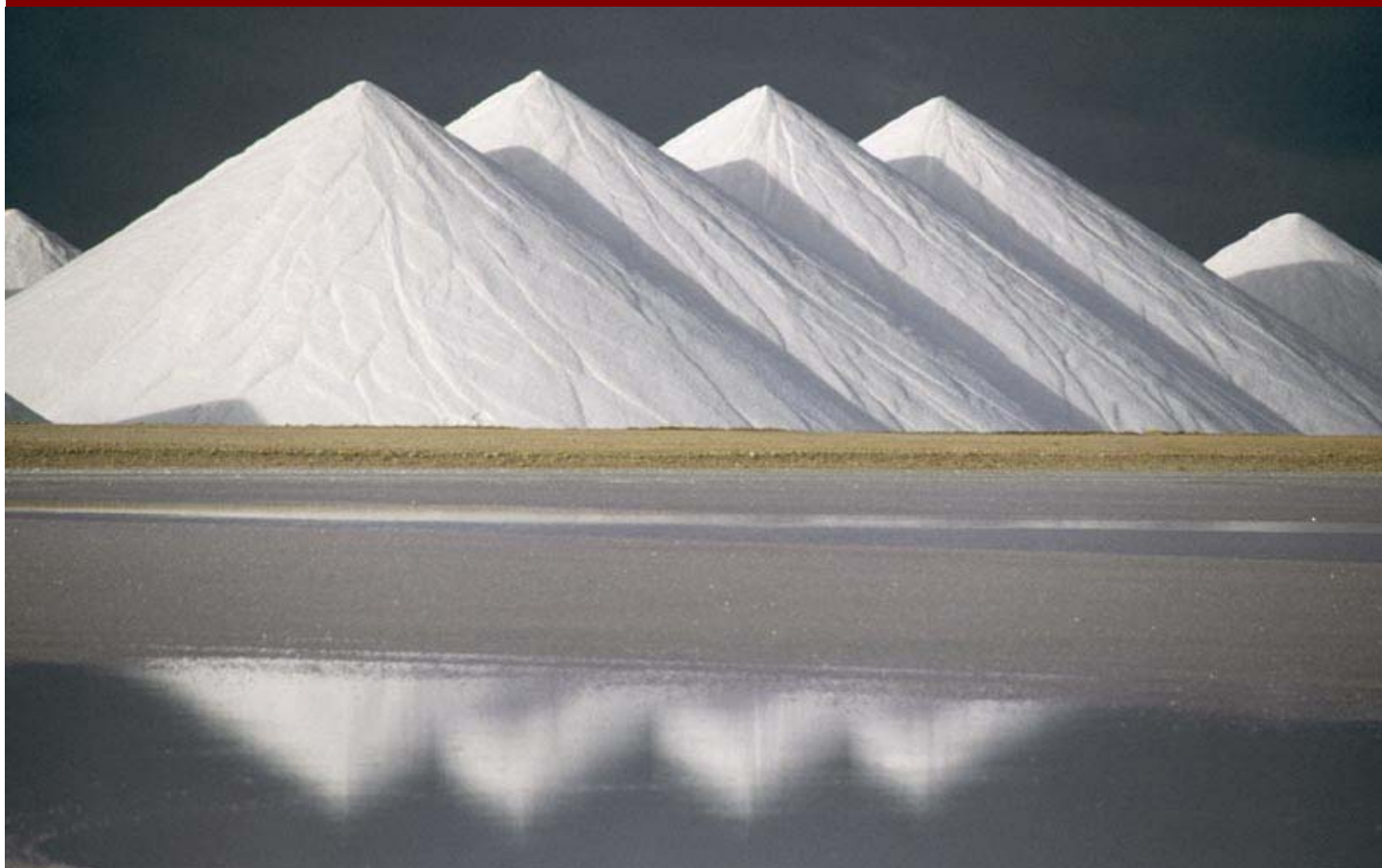


Magadi Soda Company Limited



**Building long-term relationships with our
stakeholders**

Sustainability Report 2005

Introduction

Magadi Soda Company has issued a Sustainability Report for 2004 covering its approach to corporate sustainability and detailing the social responsibility, environment and economic contributions it has made during the year 2004. The circulation of the report was restricted to a targeted audience. The 2005 report is an update of those areas covered in the 2004 report to incorporate similar contributions made in 2005.

In preparing the 2004 report, PricewaterhouseCoopers Limited advised Magadi Soda Company on the requirements of the sustainability reporting guidelines developed by Global Reporting Initiative (GRI) in line with the company's stakeholder engagement and analysis effort.

In this 2005 report, PricewaterhouseCoopers Limited has provided limited assurance guided by the International Standards on Assurance Engagements (ISAE) 3000 for the assurance of non-financial information.

Environment and social responsibility data is subject to many more inherent limitations than financial data given both their nature and the methods used for data determination, calculation or estimation.

Readers requiring further information may request the Company's Managing Director in writing.

Highlights

With technical assistance from PricewaterhouseCoopers and ITDG-EA, Magadi Soda Company management sought stakeholders views and concerns

We adhere to high environmental, health and safety standards

Magadi Soda Company has invested significantly in community projects including subsidised health, financing education and provision of water

We recently developed a Community Development Plan (CDP), a unique community development initiative

Magadi Soda Company is a significant export earner with exports contributing about 1.6% of Kenya's export earnings

Magadi Soda Company has created employment for the local community

We support local entrepreneurs by building capacity through advice and knowledge transfer

Magadi Soda Company provides the Government of Kenya and other development partners including NGOs with office space, accommodation and logistical support

Assurance Statement

Independent Assurance Report on the Magadi Soda Company Limited Sustainability Report

1 January 2005 – 31 December 2005

To the Directors of Magadi Soda Company Limited

Introduction

Magadi Soda Company Limited has issued a Sustainability Report 2005 (“the Report”) covering its approach to corporate sustainability and detailing the social responsibility, environment and economic contributions it has made during 2005. We have been asked to consider selected statements made and data included in the Report.

It is important to read the statements and data in the context of the reporting policies and limitations in the Report.

Environment and social responsibility data is subject to many more inherent limitations than financial data given both their nature and the methods used for data determination, calculation or estimation.

Our objectives

The objective of our procedures was to obtain limited assurance whether:

- the selected statements and data in the Report are supported by underlying evidence;
- the information presented in the report relating to the selected statements and data are consistent with the findings of our work.

Criteria for assurance

We have evaluated the subject matter against the following criteria:

- the guidelines prepared by the Global Reporting Initiative (GRI) in 2002 ; and
- procedures by which data and information are prepared collated and aggregated internally.

The board of directors of Magadi Soda Company Limited is responsible for both the subject matter and the evaluation criteria. Our responsibility is to report on the data and key figures for economic, environmental social data as well as specific textual claims in accordance with the International Framework for Assurance Engagements, approved by the International Auditing and Assurance Standards Board (IAASB). The detailed subject matter of our review is described in the table.

We planned and performed our evidence gathering procedures to obtain a basis for our conclusions in accordance to the International Standard on Assurance Engagements (ISAE) 3000 “Assurance Engagements other than Audits or Reviews of Historical Information”, approved by the IAASB. However, we have not performed an audit according to International Standards on Auditing. Accordingly, we do not express an audit opinion.

Class of data	Specific items reviewed
Economic Data	cash valued added statement
Environmental Data	mass balance
Social Data	total expenditure committed to MSC’s community investment which includes: –health –education –water –Transport –commitment to employee training
Textual Claims	management systems and policies; and occupational health and safety

Our work approach

Our procedures were limited to:

- interviews with management and personnel in Human Resources and Community Affairs, Finance, Magadi Hospital, Production and Magadi Rail, involved in providing information for inclusion in the Report in relation to the selected statements and data;
- examination on a test basis of documentary evidence relating to the selected statements and data on which we report; and
- testing of the relevant sections of the Report relating to the selected statements and data to check for consistency with the findings of our work.

Assurance Statement

Conclusion

Based on our work described in this report nothing has come to our attention that causes us not to believe that:

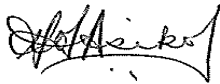
- the statements and data we reviewed are supported by underlying evidence;
- the information presented in the report relating to the selected statements and data are consistent with the findings of our work.

Our recommendations

From our work, we have provided the following recommendation to the management, which has been agreed:

In order to streamline the process and encourage the line management ownership of the accuracy, timelines and completeness of reporting, it is advisable that:

- your management team are trained on the implication and implementation of GRI Guidelines at MSC; and
- templates are designed for data gathering in accordance with the GRI Guidelines for monthly use.



PricewaterhouseCoopers Limited, Nairobi
30 August 2006

Table of Contents

		Page
1.	Managing Director's Statement	7
2.	Vision and Strategy	8
3.	Organisation Profile	10
4.	Stakeholder Engagement	12
5.	Corporate Governance	16
6.	Management Structure	17
7.	Management Systems and Policies	18
8.	Economic Impact	20
9.	Managing Our Environment	23
	Commitment to Health and Safety	24
	Environmental Performance	25
10.	Managing Our Social Impact	26
	Better Health for the Community	27
	Education – Empowering the Community	28
	Water Provision	29
	Engaging the Community	30
	Employee Well-Being	31
	Creating Business Opportunities	32
11.	Excellence and External Recognition	33
12.	Planning for the Future	34
13.	GRI Performance Indicators Chart	35

Managing Director's Statement

Magadi Soda Company is Africa's foremost producer and exporter of Soda Ash and is a member of the Brunner Mond Group. We are situated at Lake Magadi which is about 120 km South West of Nairobi. As well as being a major contributor to the economy of Kenya, we provide a very high level of support to the local community. We maintain the Magadi Township with all its amenities, including water, a hospital and schools for its more than 3000 inhabitants. Our social responsibility program is an integral part of the business planning process guided by the principles of sustainability, community empowerment, capacity building through partnerships, and poverty eradication. The program has been recognised four times by the Kenya Institute of Management by awarding it the Corporate Citizenship Award in the annual Company of the Year Awards. In 2004, we were awarded the Financial Management Excellence Award, produced the Professional Manager of the Year and were the first runner up in the overall Best Company category.

Our vision is to be the world's most respected leader in unique value creation for our customers, shareholders, the community and other stakeholders. The pursuit of this vision is guided by our mission to create prosperity through the responsible use of Magadi's natural resources.

At the heart of our continuing success is a team of highly competent and committed people whose motivation is fuelled by unrelenting focus on our vision and mission as well as targeted business and personal growth. The behaviours of our team reflect our core and shared values of *integrity, teamwork, diversity, partnership and innovation*. We thrive through a best in class program of investment in the knowledge and skills of our people.

To build better and sustainable business, we have embarked on a multi-million dollar investment in a new plant that will deliver world class product quality and operating excellence.

We define our contribution to sustainable development through our vision, mission and values. This has entailed an approach to safeguard people, the environment and collaborate with an array of stakeholders including the government, customers and investing in the community and new products.

Even though this is our first public Sustainability Report, we are among the leading companies to issue a Sustainability Report in East Africa covering environmental, economic and social impact generated by our operations. This report which covers activities and practices we have undertaken in 2005, is based on the GRI guidelines, and is focused on a rigorous evaluation of the social, environmental and economic issues and opportunities associated with each of our key business processes. An index that outlines our economic, social and environmental performance corresponding to applicable GRI indicators is available for reference at the end of this report. As such, this report outlines our company sustainability mission and strategy, stakeholder engagement approach, sustainability policies and management systems, and sustainability performance.

This report will be shared with all our stakeholders and feedback will be welcome so that we can continue to deliver our commitments to all of them.

James Mathenge
Managing Director

Our Vision and Strategy

OUR VISION

“ To be the world’s most respected leader in unique value creation for our customers, shareholders, the community and other stakeholders”

The vision of Magadi Soda Company is “to be the world’s most respected leader in unique value creation for our customers, shareholders, the community and other stakeholders.” The pursuit of this vision is guided by our mission to create prosperity through the responsible use of Magadi’s natural resources.

These two aspects in turn reflect our core and shared values of integrity, teamwork, diversity, partnership and innovation that guide the behaviour of our team. Our vision, mission and shared core values drive our approach to safeguard people, the environment and collaborate with an array of stakeholders including the government, customers and the community within which we operate.

Magadi Soda Company’s commitment to improvement remains constant. Nowhere is this commitment more prominent than in the areas of community investment, environmental diligence and stakeholder engagement.

In line with this general strategy, our sustainability initiatives have focused on economic, environmental and social impact of the company. To support the local community we have invested significantly in the following areas:

- Education
- Water
- Health
- Infrastructure (Rail and Road)
- Micro Business Development
- Employment

Though, we compiled our first sustainability report in 2005, this will be the first time Magadi Soda Company has publicly issued a Sustainability Report on the basis of the Global Reporting Initiative (GRI) 2002 guidelines. It is important to also note that we have gone a step further to incorporate indicators provided under the Mining and Metals Sector Supplement. This will ensure that this report better reflects issues that affect our industry.

Report Scope and Boundaries

Magadi Soda Company’s 2005 Sustainability Report presents a review of the company’s economic, social and environmental impact and obligations for the period 1 January 2005 to 31 December 2005. However, to illustrate Magadi Soda Company performance this report also provides data from previous years. This report applies to the Kenya Magadi Soda Company Limited operations only as they pertain to the production of soda ash, salt and crushed refined soda.

For more information on this Magadi Soda Company sustainability report contact:

James Mathenge
Managing Director
Magadi Soda Company Limited
E mail: jmathenge@magadisoda.co.ke
www.magadisoda.co.ke

New Ash Plant

To enhance the company's competitive edge in the global market Magadi Soda Company is expanding its operation in Kenya by committing \$131 million towards an ultra modern soda ash processing plant. The new plant is expected to improve the overall purity of the product to above 99%. It is expected that the new ash plant will be operational 2006. To support this expansion we have hired 48 new employees in the year 2005.



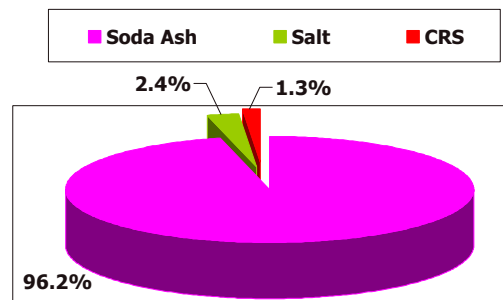
Premium Ash Plant Construction Work in Progress

Organisation Profile

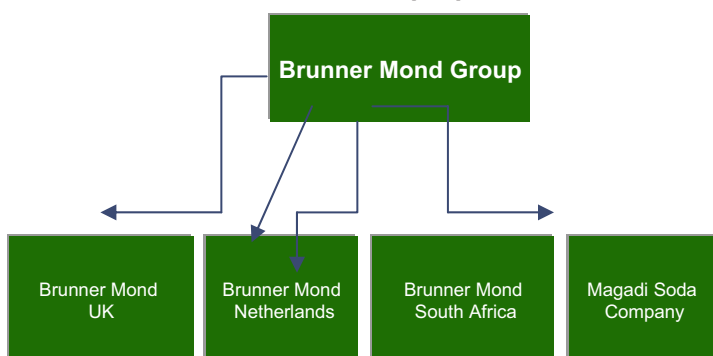
Historical Background

Magadi Soda Company was established in 1911 and became a wholly owned subsidiary of Brunner Mond in 1924. In 1926 Brunner Mond merged with three other chemical companies to form Imperial Chemical Industries (ICI). In 1991 Brunner Mond re-emerged by acquiring the UK and Kenyan soda ash business operations from ICI. The soda ash activities of Akzo Nobel in the Netherlands were later acquired in February 1998 to form what is now known as Brunner Mond Group Limited. Tata Chemicals Ltd acquired Brunner Mond Group in December 2005.

Our products



2005 Group Operations



High standards of environmental and safety performance are at the heart of all our commercial and manufacturing activities. We are also highly committed and strongly support the development of the services and needs of the community in which we operate.

Our Products

Magadi Soda Company is a producer of sodium carbonate (soda ash) and salt. We have a commitment to provide our customers with high quality products and excellent service. The products we manufacture are key inputs in industrial processes and are used to produce many essential everyday items including glass, detergents in the leather and paper industries.



Standard Ash Production Plant

Our Market

Our Market

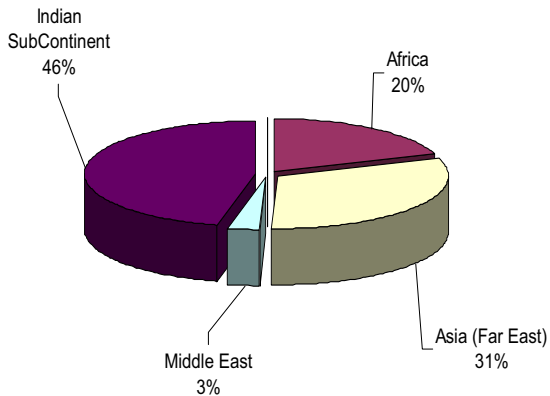
Our operations are diverse and we serve customers in the following regions:

- Africa: Kenya, South Africa, Tanzania, Nigeria
- India Sub-Continent: India, Pakistan, Sri Lanka, Bangladesh
- South East Asia: Thailand, Indonesia, Malaysia, Philippines, Vietnam
- Middle East: Saudi Arabia, Kuwait, United Arab Emirates, Yemen.



James Mathenge, Managing Director (with microphone) and Mike Odera, Director of Sales & Marketing at the Magadi Night of the ASEAN Glass Conference

Market Breakdown by Region



Nature of the Mined Resource

Lake Magadi is central to our production process. Geographically the lake lies in the Great Rift Valley, about 120km south west of Nairobi at an altitude of 605m (2,000feet) above sea level. Temperatures range from 29 degrees Celsius to 41 degrees Celsius giving a high evaporation rate of 3,500mm per year.

The lake consists of a deep crystalline bed of trona which is a mixture of sodium sesquicarbonate, sodium chloride, sodium salts, clays, and small amount of organic matter.

The trona deposit is up to 30 metres thick and the surface of the lake covers about 80sq.km. It is the sodium sesquicarbonate which is processed into soda ash (commercial name for chemical sodium carbonate).

Stakeholder Engagement

Stakeholders Identification and Engagement Planning

In 2004, we contracted PricewaterhouseCoopers and Intermediate Technology Development Group-East Africa (ITDG- EA) to consult stakeholders and give us feedback on how to improve stakeholder engagement. Specifically, the survey by PricewaterhouseCoopers analysed responses from numerous stakeholders and developed a stakeholder communication plan to enhance our relationship with stakeholders. Also, out of this effort we strive to strategically address our stakeholder needs. Further, a team from ITDG- EA consulted locally and tailored the current Community Development Plan (CDP). This plan provides an overall framework and guidance to Magadi Soda Company and other development partners on the best approach to community development.

The results from these two assignments provided Magadi Soda Company independent judgment for guidance on how to improve its stakeholder engagement process. They also provided stakeholders with forums to share comments, opinions and even criticism of the company. As a result key stakeholder issues and concerns were identified (see table overleaf).

In addition, we have a primary responsibility to our investors and we seek to maximise shareholder value over time. We recognise this can only be achieved if we consider our stakeholders concern and ensure integrity and responsible behaviour in all our undertakings.

Magadi Soda Company business operations have translated to indirect economic, social and environmental impact. To mitigate the impact of expansion the company, working with International Finance Corporation (IFC) and Intermediate Technology Development Group –East Africa recently concluded a Community Development plan to guide its community engagement and ensure a more strategic and sustainable approach.

Working with the Community

We have developed an elaborate community engagement forum titled SWOT. This has facilitated dialogue and partnership with the community. The SWOT is two-tier forum with a plenary session twice a year and a working committee which meets monthly. The SWOT is composed of:

- local councillors,
- District Officer (DO) Magadi,
- chiefs of the four locations within the division,
- representative from each of the four group ranches,
- youth and women leaders,
- Magadi Soda Company Management
- NGOs

The terms of reference for this forum include:

- community development especially implementation of the community support activities;
- issues of mutual concern such as contracting labour from the community; and
- conflict resolution whenever it arises.

Our commitment to improve the level of understanding and trust with all our stakeholders is unwavering as we strive towards our primary vision to be the world's most respected leader in unique value creation for our customers, shareholders, the community and other stakeholders.

Our Stakeholders

Stakeholder	Key Attributes	Key Issues/ Concerns
Employees	<p>Provide essential human resources to Magadi Soda Company</p> <p>Diverse cultural background</p> <p>Comprise of 365 permanent staff and 178 contracted personnel in December 2005.</p>	<p>Employment equity</p> <p>Labour relations</p> <p>Human resources practices</p> <p>Social impact and interaction with local community</p> <p>Improved relations with contractors</p>
Kenya Ports Authority (KPA)	<p>Critical provider of port services</p> <p>Facilitate the shipping of soda ash</p> <p>Magadi Soda Company single biggest port user hence a major contributor to KPA's revenue</p>	<p>Customer relations</p> <p>Regulatory compliance</p> <p>Infrastructure support and maintenance</p> <p>Revenue generation</p>
Local community	<p>Four group ranches</p> <p>Pastoralists in orientation</p> <p>Low income and skill base</p> <p>Entrenched cultural values</p>	<p>Representation in leadership forums</p> <p>Political influence</p> <p>Community development and social impact</p> <p>Employment opportunities and economic impact</p> <p>Land rights</p> <p>Security practices</p>
Bankers	<p>Offer a range of banking services</p> <p>Advice on monetary policy and foreign exchange management</p>	<p>Revenue streams</p> <p>Customer relations</p> <p>Corporate governance</p>
Lenders (including IFC/EIB,FMO,Barclays)	<p>Financing the Premium Ash Project</p> <p>Strict funding requirement</p> <p>Robust monitoring mechanism</p>	<p>Corporate governance</p> <p>Stakeholder engagement</p> <p>Economic, environmental and social impact</p> <p>Magadi Soda Company reputation</p> <p>Return on investment</p>

Our Stakeholders

Stakeholder	Key Attributes	Key Issues/ Concerns
Suppliers	<p>About 80% of the suppliers spend goes to energy, freight and packaging.</p> <p>Monitored by Magadi Soda Company to ensure timely delivery at acceptable price and quality</p> <p>Vary in size and country of origin</p>	<p>Contracts and relationship to Magadi Soda Company</p> <p>Magadi Soda Company financial performance</p>
Kenya Railways Corporation (KRC)	<p>Enormous influence over rail transport in Kenya</p> <p>Soon to be run under a concession</p> <p>Magadi Soda Company accounts for 20% of the total tracking tonnage for KRC</p> <p>Business guided by a negotiated agreement that allows Magadi Soda Company tracking rights and lease of locomotives and wagons</p>	<p>Contractual agreement with Magadi Soda Company</p> <p>Revenue generation</p> <p>Infrastructure support and maintenance</p>
Non Governmental Organisations (NGO's) and Community Based Organisations (CBO's)	<p>Numerous players</p> <p>Focus ranging from healthcare, education, infrastructure and general community development</p> <p>Capacity to influence the community</p>	<p>Coordination of social development initiatives</p> <p>Community development social support</p> <p>Human rights</p> <p>Economic, environmental and social impact</p> <p>Stakeholder engagement</p>
Customers	<p>Based in India, the Middle East and S.E Asia, Kenya, S Africa, Nigeria</p> <p>Contractual agreements</p> <p>Diverse customer base</p>	<p>Timely and quality supplies</p> <p>Acceptable pricing</p> <p>Magadi Soda Company ongoing financial performance</p>
Media	<p>Substantial influence over other stakeholders. Especially, the reputation of the company, and how the public and other key stakeholders perceive Magadi Soda Company</p>	<p>Current interest on social and economic impact</p> <p>Land rights</p>
Trade union (Kenya Chemical and Allied Workers Union)	<p>Representatives of unionisable labour</p> <p>Significant influence with workers</p>	<p>Labour relations according to the Collective Bargaining Agreement (CBA)</p> <p>Labour practices and decent work conditions</p>

Our Stakeholders

Stakeholder	Key Attributes	Key Issues/ Concerns
County Council	<p>The Council has interest in the land in which Magadi Soda Company operates</p> <p>Key beneficiary of Magadi Soda Company 's operations</p> <p>Part of Magadi Soda Company engagement forums</p>	<p>Revenue generation</p> <p>Compliance with local government legislation</p> <p>Natural resource management</p> <p>Magadi Soda Company social, economic and environmental impact</p>
National Environmental Management Authority (NEMA)	<p>National environmental watchdog</p> <p>The environmental regulatory arm of the Government of Kenya</p>	<p>Compliance with environmental regulations</p>
Directorate Occupational Health and Safety Services	<p>Health and safety standards monitoring arm of the government of Kenya.</p>	<p>Compliance with health and safety standards</p>
Small Contractors	<p>Integral part of Magadi Soda Company business operations</p> <p>Over 200 service providers</p> <p>Small businesses that deliver services such as, painting, cleaning, plumbing and general maintenance</p> <p>Intense competition</p>	<p>Health and safety</p> <p>Adherence to legal requirements</p> <p>Rates of payment by Magadi Soda Company</p> <p>Magadi Soda Company contractor evaluation, selection and performance requirements</p>
Ministry of Transport	<p>Provides policy guidelines for the transport sector</p> <p>Wields a lot of power and influence over KRC and KPA</p>	<p>Magadi Soda Company contractual agreement with KRC</p> <p>Infrastructure support to private sector in Kenya especially</p> <p>Rail concessioning process</p>
Ministry of Health	<p>Provision of healthcare services</p> <p>Limited resources unable to meet current demand for healthcare services in Magadi</p>	<p>Immunisation, infant and maternal mortality</p> <p>Delivery of adequate healthcare services</p> <p>Monitoring performance of healthcare centres</p> <p>Staffing the clinics in Kajiado</p> <p>Coordination of healthcare services</p>

Corporate Governance

Governance and Risk Management

Our commitment to corporate governance principles begins at the highest leadership levels. This is reflected in the composition of our Board of Directors which comprises of 5 highly experienced individuals. The Board meets quarterly and is made up of 60% non-executive directors and 40% executive directors.

In addition, compliance and control issues affecting the organisation are delegated to the Audit Committee. Assessment of the organisation's efficiency is conducted by the board periodically via the audit committee which reviews independent reports on the financial state and controls established. The Board of Directors has outsourced the internal audit function. This has ensured that the internal audit function is independent of the activities they audit and performs with impartiality and proficiency. The selection of the Board takes into account economic, social and environmental issues as well as their competence.

For instance, the Board must consist of an appointee from the Kenya Government whose remit includes community issues. The Chairman is appointed by the Shareholders. The Managing Director is appointed by the Board. Currently the Board has 2 Engineers, 2 Marketers and 1 Diplomat. Two Directors are from Kajiado District.

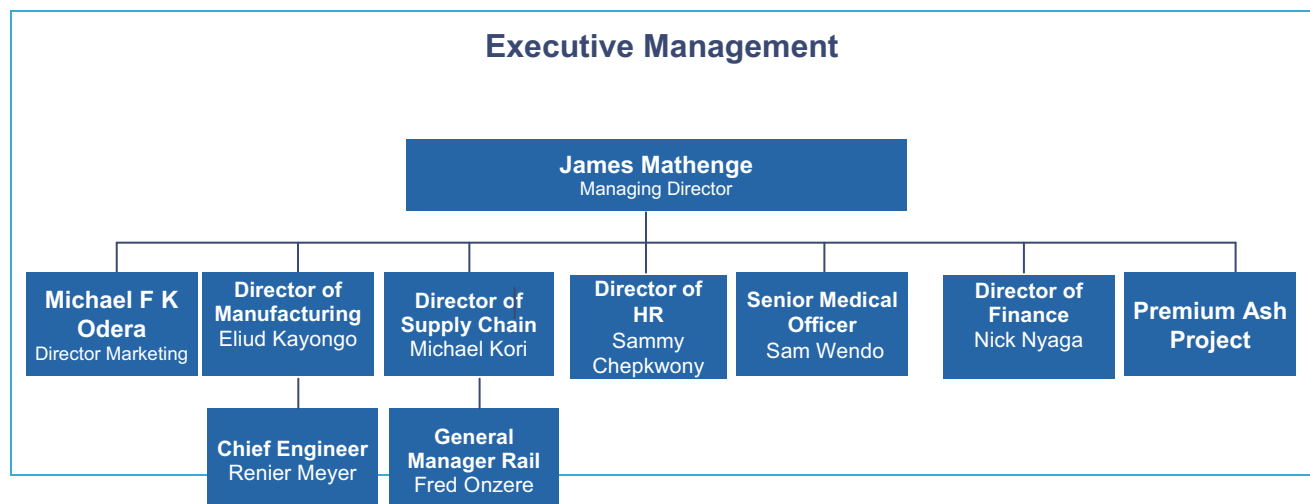
Our aim is to manage risk and control our activities. We do so in a manner that allows us to engage in profitable business opportunities as well as avoid and reduce risks that can cause loss, reputation damage or business failure. Our risk management approach strengthens our operational effectiveness and enhances business resilience. We have a company wide risk assessment process that cuts across all areas of exposure including finance, manufacturing, human resources, marketing and supply chain management. The process is regularly audited/verified by PricewaterhouseCoopers who perform regular periodic internal audits on agreed priority areas.

Director Name	Role
Peter J K Haslehurst	Chairman – Executive – Audit Committee Member, also the Brunner Mond Group Chairman. Has held the position since 2002.
Titus T Naikuni	Deputy Chairman – Non-Executive – Audit Committee Member. Currently the Chief Executive of Kenya Airways. Previously was the Magadi Soda Company Managing Director. Has been a Director since 1993.
James G Mathenge	Managing Director – Executive – Joined the company and the Board in 2003 from Caltex Oil Kenya where he was MD and Country Chairman.
Professor Bernard C Waruingi	Non-Executive – Audit Committee Member – Also Chairman of Capital Markets Authority. Is appointed by the Government of Kenya in accordance with the Articles of Association. Has been a Director since 1987 and has particular remit on community issues.
Sir Graham S Burton	Non-Executive - Chairman Audit Committee – Has been in the Board since 2001. Also in the Board of Control Risks. Served as UK High Commissioner in many countries with last posting being Nigeria where he retired in 2000.
Nicholas H Fairclough and Michael N Kori	Joint Company Secretaries – Nicholas H Fairclough since 2000. Michael N Kori joined the company in 1995 and is also the Director of Supply Chain responsible for the legal affairs of the company.

Management Structure

Magadi Soda Company has internal systems in place to record and monitor, financial, operational, safety, health, and environmental management information. Information management also includes data on community involvement, as well as systematic monitoring of unintended community impacts and support in community development. Although the Board of Directors are ultimately responsible for Magadi Soda Company performance, the following individuals are accountable for the oversight of Magadi Soda Company operations on a day to day basis:

- Managing Director – James G Mathenge – In addition to all other matters stated earlier, he is the senior person with direct responsibility for safety, health and environment. Directs the Premium Ash Project;
- Director of Finance – Nicholas M Nyaga – joined the company in 1999. Responsible for the coordination of both internal and external financial auditors;
- Director of Human Resources - Sammy Chepkwony – joined the company in 2003. Responsible for the human resources, community development policy and strategy. Remit includes the Corporate Social Responsibility;
- Director of Marketing and Sales – Michael F K Odera – joined the company in 1979; Responsible for the public relations policy and strategy in addition to sales and marketing;
- Senior Medical Officer – Dr Sam Wendo – joined the company in 1989. Responsible for the medical and health policy and strategy for the employees, families and the local community. Spear-heads the malaria and HIV/Aids policy and programs;
- Director Supply Chain – Michael N Kori joined the company in 1995. Responsible for the legal affairs of the company and directs the Company’s supply chain function. Michael Kori has since left the company at the time of issuing this report; and
- Director of Manufacturing – Eliud Kayongo joined the company in 1997. He deputises the MD in his absence in addition to his responsibilities. Responsible for strategy on environmental impact from production related activities.



Management Systems and Policies

We have established several key policies to mitigate various operational risks:

Community Relations Policy

The company is committed to ensuring that the community relations program is an integral part of its business planning process. Objectives of the policy include a pledge to value and respect human rights, engage by listening, considering and responding to ideas and concerns. It requires frequent communication in an open, positive and transparent way. It encourages appropriate awareness, understanding and respect for the values of the local community. Where practicable and economically possible the company provides assistance through equitable, community orientated and sustainable projects to ensure that company and community actions are consistent with this policy.

Environmental Health and Safety Policy

Magadi Soda Company recognises that its operations have environmental impact. This policy therefore commits Magadi Soda Company to responsible environmental management through global standards and conformance to the legal requirements. Performance objectives include: continuous improvement; eliminate unacceptable risks to the environment and health of our employees, customers and members of public; reduce to a practicable minimum adverse effect on the environment; and consult regularly with employees, regulatory authorities, the local community and other relevant authorities. We report our performance publicly.

Employment Policy on Casuals

The salient point in the policy is that Magadi Soda Company has committed to employ members of the local community in the salt garnering operation and the ash plant, 100% and 75% respectively. The company is an equal opportunity employer.

Voluntary standards		
Standard	Description	Date of certification/adoption
ISO 9001:2000	Quality management systems standards	Certified to ISO 9002 in 1998 adopted ISO 9001:2000 in 2002
ISO 14001	Environmental management systems	Magadi Soda Company still working on the certification
OHSAS 18001	Occupational Health and Safety Assurance Standards	Magadi Soda Company still working on the certification
British Safety Council	Magadi Soda Company was audited by the British Safety Council and received the Five Star award on safety standards	2003
Petroleum Institute of East Africa	PIEA carried out a waste management and safety standards review and issued Magadi Soda Company a certificate of best practice.	2002

Management Systems and Policies

Energy Management Conservation Policy

This policy indicates that to be competitive we are required to have efficient and sustainable use of energy. The objectives of the policy are to achieve quantified energy saving and cost reduction through improved utilisation of energy; promote a culture of energy efficiency within all business operations; undertake periodic measurement and review of performance; manage our business to achieve continuous performance improvement; explore opportunities for step change improvement through utilisation of sustainable energy sources.

Membership in industry and business associations

IPM-K Institute of Personnel Management
Kenya Institute of Purchasing and supply Managers (KIPSM)
Chartered Institute of Purchasing and Supplies (CIPS)
Institute of Certified Public Secretaries, Kenya [ICPS(K)]
Kenya Institute of Management (KIM)
Kenya Association of Manufacturers (KAM)
Marketing Society of Kenya (MSK)
Institute of Certified Public Accountants, Kenya [ICPA(K)]
Institute of Engineers of Kenya (IEK)
East African Association
East African Wildlife Society

HIV/AIDS Policy

The HIV/AIDS policy seeks to:

- promote an environment where HIV/AIDS is acknowledged to avoid stigma;

- minimise impact of HIV/AIDS;
- protect employees living with HIV/AIDS from unfair discrimination;
- ensure HIV/AIDS shall not constitute a reason to refuse or preclude any person from employment;
- ensure confidentiality regarding HIV/AIDS of any employee or community member;
- reduce as far as reasonably possible the spread of HIV infection and manage the impact of HIV/AIDS on employees.

Human Resources Policies

These are designed to and have been successful in achieving a remarkable rise in employee productivity and sustaining a stable and conducive industrial relations environment. The policies cover the following areas: organisational development; recruitment and separation; employee relations; human resource development; performance management; pay and benefits.

Supplier Evaluation

Supplier Evaluation Selection Performance and Appraisal (SESPA) is a customised approach used to vet new suppliers and ensure current suppliers meet the set standards and covers:

- the profile of supplier including organisational structure;
- financial capacity; and
- registration with the government and other licensing bodies.

Key measures used by the suppliers evaluation committee include corporate governance structure and practice, social responsibility practice and environmental due diligence.

Economic Impact

Turnover for 2005 increased by 19.32% compared to the previous year. In this figure Soda Ash accounted for a turn over of 97%, salt 2.3% and Crushed Refined Soda 1.4%. The results for the year show a profit before tax increase of 49.5% from the previous year.

Our growth in turnover was attributable to a significant increase in soda ash prices as soda ash sales volumes slightly increased from the prior year levels. The increase in prices was the result of a worldwide supply/ demand shift that started in 2004.

The company has committed US \$ 131 million towards a new plant and related infrastructure. We are investing in a new plant, equipment and technology that will produce premium ash. In May 2004 we signed an agreement with the International Financial Corporation (IFC), the European Investment Bank, and the Netherlands Development Finance Corporation (FMO) under which they agreed to finance this project. The turn-key project is already underway and the new plant is expected to be commissioned in the second half of 2006.

The new plant will have a far reaching multiplier effect through contractors and other providers of products and services. It will sustain business opportunities down the supply chain for businesses including the rail and port services providers. This will impact positively on the national GDP and foreign exchange earnings.

Payroll 2005	
	Kshs million
Remuneration	418.3
Provident Fund	17.5
Social Security	1.4
Total Payroll	437.2

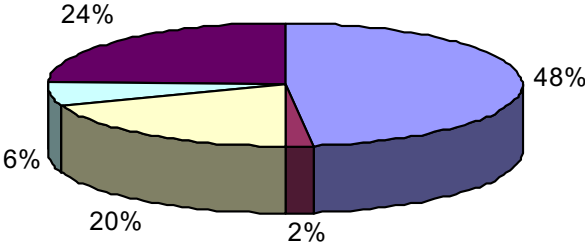
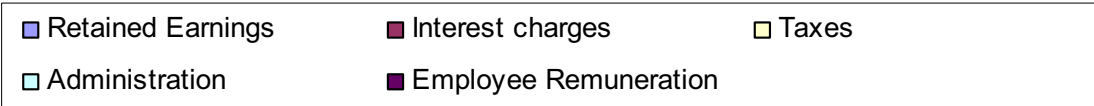
Total Sum of Taxes	
	Kshs million
Rates and levies	13.4
Taxes	527.2
Total	540.6

Total spend on non-core business infrastructure (Kshs million)	
Township and clubs	33.8
Housing	29.7
Schools	8.9
Road maintenance	15.2
Total	87.6

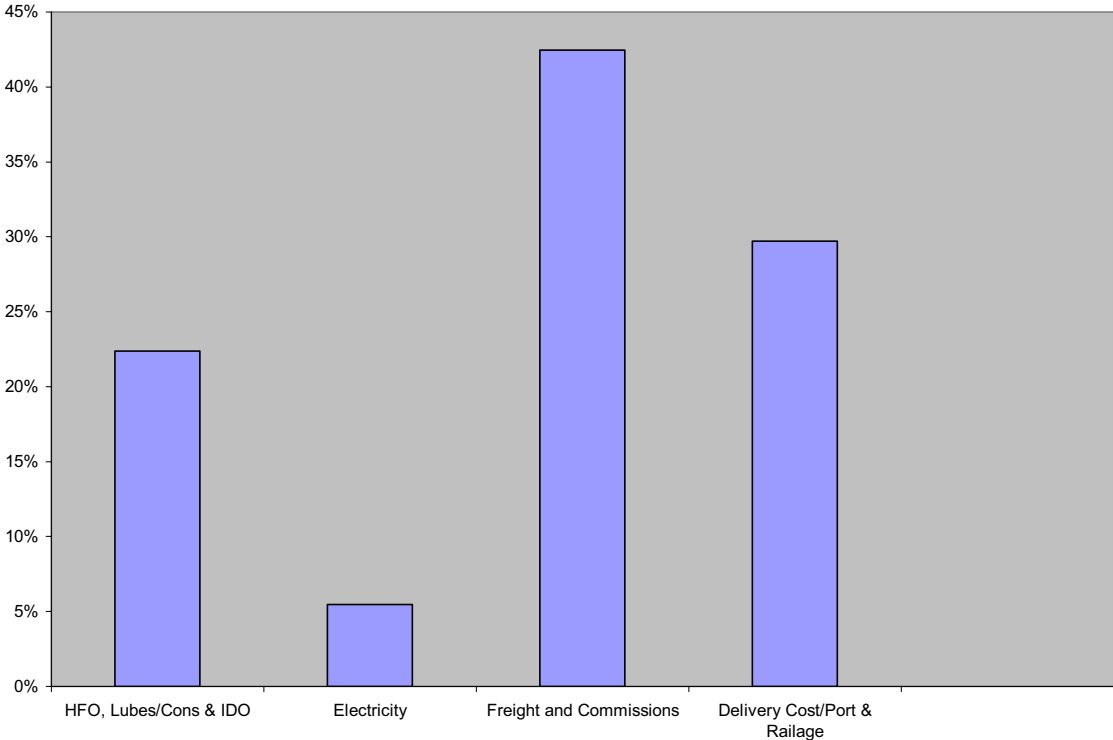
Magadi Soda Company is a significant export earner

Economic Impact

Distribution of Cash Value Added



Goods, Materials & Services Purchased



Economic Impact

Magadi Soda Company Corporate Social Responsibility Support direct & indirect Spending Pattern (2004)		
Sector	Description of Support	Annual Cost (Ksh)
Education		
	University bursary scheme	440,000
	Secondary School bursary scheme	1,022,500
	Adult education teacher	122,452
	Free Primary Education	67,000
	Magadi Bursary Fund	50,000
	Community Boarding Secondary School	6,006,689
	Total	7,708,641
Water	Train community watering supply operations (opportunity cost of margins lost due to not delivering product)	37,308,600
Health	Subsidy & Bad Debts	17,837,000
Transport	Train Passenger Service (opportunity cost of margins lost due to not delivering product)	25,156,656
Community Support	Community Development Plan (with IFC)	2,683,997
	SWOT expenses	94,631
	Housing support for NGO's	126,000
	Total	2,904,628
	Grand Total	90,915,525

Managing Our Environment

We have demonstrated over the years commitment to environmental protection and sustainability. This includes having an openly displayed policy as well as integrating environmental considerations in overall management systems and our operations. Our Mission Statement *“To create prosperity through the responsible use of Magadi’s natural resources”* means that our standards for best environmental practice are visible, robust, sustainable and subject to continuous review and refinement. Our environmental standards meet international best practice as demonstrated by the availability of *Environmental Action Plan* which includes World Bank Standards. This is a living document and is reviewed annually.

As part of our contribution to increase forest cover, we have planted over three thousand trees both in Magadi and at our Kajiado station. We have created “green parks” in areas hitherto believed to be too hostile for forestation. Tree planting has become part of our annual activities.

Each year we hold the *“Annual Clean Up & Environmental Day”*. This event has been ongoing for over a decade. For us in Magadi, we just don’t comply with the legal requirements and other international standards on environment. We go beyond these to ensure we provide a healthier and cleaner environment for all.

A Renewable Resource

The trona deposit in Lake Magadi is constantly renewing itself by natural means. Rainfall in and around the Rift Valley drains underground and is heated geothermally. The hot water dissolves chemical compounds of sodium which occur in the underground rock strata and the solution comes to the surface in the form of hot, mildly alkaline springs which can be found all around the edge of lake Magadi.

Magadi's high temperatures and long sunny days cause the solution to concentrate by evaporation eventually giving rise to more trona.



Patterson Park in Magadi Township

Commitment to Health & Safety

Our commitment to Health and Safety is driven by senior management and executed according to policy by an established Safety Health & Environment (SHE) Committee chaired by the CEO. This committee meets quarterly to review policies, practice and their suitability for operations. The SHE Committee has sub-technical committees with specific terms of reference and mandates that deal with assessments and benefits of specific initiatives. These include the:

- energy conservation and management committee; and
- creativity and innovation committee

The results of these proactive efforts are evident from indicators such as no work related fatality since operations started. The end of 2005 saw a 20% overall improvement on safety over prior year with above 1.7 million hours free of lost time injury. Dangerous occurrences and reportable incidences declined by a significant 17% compared to the year 2004.

Our Health and Safety program complies to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases and our relationship with the International Finance Corporation ensures that these practices are annually audited to assess our compliance. This includes verification of our established policy and how it is implemented, the management and measurement systems in place, the effectiveness of our preventive measures such as protective gear and awareness training, and the recording of all safety/occupational health incidents which are reported, investigated and corrected.

Our Health & Safety Policy Goals

**100% Compliance by
all employees
In all
Operations**

**Eliminate Hazards and
Provide a Safe
Workplace**

**Minimize the use and
Release of
Hazardous Materials**

**Adhere to all Legal
Provisions but also
Embrace the Spirit
of the Regulations**

**Protect the Environment
by Involving
our
Employees and
The Community**

**Implement an SHE
Management System
in our Operations**

**Continuously Improve
our SHE
Efforts and Programs**

Environmental Performance

Magadi Soda Company Rights for Production

EN23 Land rights for production activities or extractive use

Rights: to work the Magadi deposits (subject to Government's right to extract minerals not affecting Magadi)

Covenants: Not to assign/ sublet without Government consent; Notification to Government of discovery other minerals

Royalty: Half yearly payments to Kenya Government for each ton of Soda and salt sold in the market

Obligatory housing and medical treatment for employees

Government has right to appoint a Director

Renewable Energy Use

EN17 Initiatives to use renewable energy sources and to increase energy efficiency

Solar energy at repeater stations

Solar energy use in Township for water heating

Water

EN5 Total water use

Process Water – 500,000 m3 per annum

Domestic Water – 100,000 m3 per annum

EN21 Annual withdrawals of ground and surface water

100% renewable

Waste

EN11 Total amount of waste by type and destination

Domestic waste – 40 Te per annum: landfill

Scrap metal – 5 Te per annum: sale & recycling

Other industrial waste – 10 Te per annum: landfill

Waste oil – 150 Te per annum: re-use

Waste soda ash/trona – 80,000 Te per annum: back to lake

Plastic Waste – 10 Te per annum: recycling

Environmental Expenditures

EN35 Total environmental expenditures

Environmental Improvements Projects = US\$160,000

Dust Minimizations = US\$100,000

Budgeted ISO14001/OHSAS18001 Implementation = US\$52,000

Training =US\$15,000

Managing Our Social Impact

Generally, Magadi division is sparsely populated with harsh climatic conditions except for the agricultural zones of Nkuruman escarpment. The predominant ethnic group is the Maasai, whose economic mainstay is livestock rearing. This has often posed numerous challenges particularly following periods of drought.

It is within these severe conditions that the Maasai community exists alongside Magadi Soda Company. Our social responsibility approach targets to help the community to cope and develop socially. Ongoing interventions include; provision of health services, water, promotion of education, business and employment opportunities, and working with partners to complement our involvement.

Social Indicators (2004)	
Total workforce	543
Permanent employees	365
Piece rate/Contract staff	178
Retirees	5
Terminations	0
Resignations	6
% of employees covered by collective bargaining agreements	71
New employees hired	54
Fatalities	0
Average hours of training per employee per year:	
Senior Management	32
Middle Management and professionals	32
Unionisable staff	24



Providing water for domestic use to local community members

Better Health for the Community

To support healthcare, we have dedicated resources to well-equip Magadi Hospital which serves both employees and the community. It is the only hospital facility in the entire division and we have found it mutually beneficial to accommodate the community. Currently, the local community comprises sixty per cent outpatient and ninety five per cent of inpatient service.

We continued to subsidise community healthcare to the tune of over Ksh 17.8 million up from 14.75 million in 2004. Even after subsidising the cost for the local community, most patients are still too poor to afford services and we often provide these services for free.

The spread of HIV/Aids has increased pressures at the health facility. To meet rising medical needs of the community, Magadi Hospital works with other partners especially on preventive measures.



A community patient receiving treatment at the Company hospital

A joint action has emerged between Magadi Soda Company and AMREF to support the clinic at Nkuruman. On occasions we have provided financial and material support. We recently constructed a catering facility and a water intake point. This centre works closely with Magadi Hospital and complicated cases are referred to Magadi Hospital. We also support the fight against Trachoma. We also assist other local health centres by transporting drugs and medicine from Kajjado Hospital by rail. In collaboration with the Ministry of Health we provide immunization referrals and support their preventive healthcare initiatives.

We have enlisted to support of the Rotary Doctors, who are international specialists whose association with Magadi Soda started in October 1998. The Rotary Doctors, located and housed in Magadi, operate through a “relay” system, where a doctor takes over from their colleagues after six weeks of service.

They provide treatments, health education for community members and refer cases that need further treatment to Magadi Hospital.

Education-Empowering the Community

In a region with diminishing means of livelihoods skills come handy. We believe education has a far reaching effect thus our commitment to support three bursary schemes for the local community:

Kajiado District University and Tertiary Bursaries Scheme

Since 1990, we have supported bursaries annually to university/tertiary students from Kajiado District. However, out of the six, four of these benefiting students must come from Magadi Division. The scholarship offered is for four years.

Vocational Trainings

Since 2000, 5 students have benefited from our vocational training at a cost of three hundred thousand Kenya shillings.

Magadi Division Bursary

In the last decade over 300 students have benefited from this bursary. Annually this scheme supports 20 students for four years up from 14 in 2004.

Sir Alexander Fleck Award Scheme

This scheme caters for excelling employee children in both secondary and tertiary institutions. It benefits 12 secondary and 3 university students annually.

We are also extensively involved in providing infrastructure in conjunction with the government. In fact all facilities in Magadi Secondary School, Magadi Primary, Magadi Pre-school and Junior school are provided and maintained by the company. We also house government teachers and issue grants to encourage better performance. To other schools in the area we have provided infrastructure support such as constructing water points and providing iron sheets for classroom construction, especially for pre-schools.

In order not to leave out the older generation, we have supported adult literacy classes since May 2002. These classes have registered 65 adults. This forum is useful in sensitizing the adult community on HIV/AIDS, safety, work ethics and other issues.



Class in session at the company assisted boarding secondary school – Patterson Memorial School, Olkiramatian

Patterson Memorial Secondary School – Olkiramatian

The company has started a secondary mixed boarding school in the division. The boarding school started in the year 2005 February and already has two classes Form 1 & 2 with over 90 students. The company is committed to deliver fully the school in partnership with other stakeholders such as the Government, NGO and the Community.

Water Provision

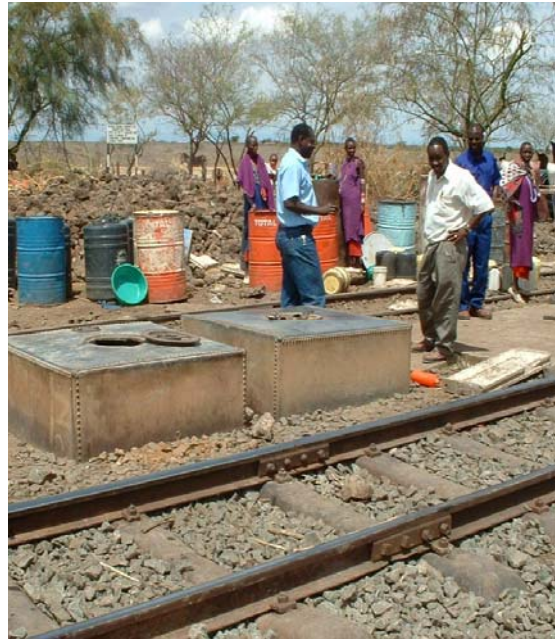
Being arid, water is an extremely scarce resource. We have provided nine watering points at various locations along the 35 kilometer pipeline from Nkuruman escarpment to Magadi. We financed the provision of piped water to the Iparakuo community located about 12 kilometers from Magadi Township.

In total we supply the community with at least 50,000 litres of water daily. In addition, we operate a rail tank supply along the Magadi-Kajiado route thrice a week and a road water supply in Oldonyonyokie along the Magadi-Nairobi road daily. This has helped meet both domestic and livestock needs but only within a limited geographic location.

We have also repaired two water tanks in Tiasilal for community use as well as perform regular maintenance of Olekaitoriori, Sampu and Tiasilal water pipelines.

In a bid to provide water in Oldonyonyokie, we partnered with HEART TEAM, an American group, for dam construction in Oldonyonyokie. During this venture we provided excavation equipment, personnel and technical support.

The Company is currently supporting Magadi – Oldonyonyokie water pipeline which will take water from Magadi to Oldonyonyokie.



Providing Water for Community Along the Rail



Providing Water for the Community at Iparakuo

Engaging the Community

The SWOT process has become the forum for dialogue between the company and the community. A key objective of this forum is to find long-term and sustainable solutions to community needs within this process.

The larger SWOT comprises of about 40 community leaders who meet twice a year. The SWOT comprises all Chiefs, Councilors, Group Ranch Representatives, Women, Youth and other representatives

Within this process is a small select committee that meets once every month to plan, initiate and coordinate development activities. It reports to the bigger team twice a year.

The SWOT Committee has further set up taskforces to deliver on specific activities that include:

- the establishment of the Secondary School;
- medical care;
- EcoTourism;
- employment opportunities; and
- railway transport.

To better coordinate our efforts in the community, Magadi Soda a Community Development Office in March 2002 currently headed by a Community Development Manager.

Partnering for Progress

The Company has spearheaded the development of a Community Development Plan. The Community Development Plan has become a framework which brings together a number of stakeholders – NGOs, the government and the community in their operations in Magadi Division.

The Community Development Plan has got the full blessings of the government's sub DCC. The main aim is to pool resources and hasten social development in Magadi division. The partnership approach prevents duplication as each partner has projects within their specialised area. This ensures that funds and other inputs are used wisely to maximise the gains to the local community.

We appreciate the fact that NGO's are in touch with community needs, can solicit for funding and have capacity to facilitate community development. We therefore support NGO's by providing office space.



Peter Haslehurst, Company Chairman meeting the Senior Chief, Magadi and other community leaders

Employee Well-Being

Engaging Our Employees

Our employment policy has a preference for locals in casual jobs recruitment. Seventy five per cent of casual workers at the soda ash plant and 100 per cent at the salt plant have to be locals. However, at all times we recruit on merit and ability.

Our policies and practices prohibit any forms of discrimination in the conduct of our business. This includes non-discrimination policies and practices on human rights, as well as freedom of association and movement.

Employees are free to join unions and indeed seventy percent have opted to join the Kenya Chemical and Allied Workers Union with whom we have a collective bargaining agreement. We also have internal channels which we engage our employees on a continuous basis. These allow for direct communication to elicit feedback and collectively address issues and concerns raised.

Forums used include:

- Board Barazas: (an open forum between Board members and employees involving formal speeches followed by informal question & answer sessions);
- bi -monthly works council meetings;
- monthly Work Group Meetings;
- Total Productive Manufacturing (TPM) sessions (meetings between performance improvement employee teams from various work areas);
- coaching and counseling sessions;
- management meetings; and
- print and electronic media (newsletters, e-mail, intranet, ideas/ suggestion box system, notice boards).

Employee Development and Support

The well-being of our employees involves active development of their careers and overall professional lives. We have established various programs and policies to manage the lifecycle professional development stages of our employees as described below.

Employee Training Programs

Induction
Management development
Overseas exposure
Safety training
New plant specific
User training – IT
Management trainees
Apprentices
Fire drills
HIV/AIDS peer training & awareness sessions

Leadership Development Programs

Coach and develop for results
Drive performance
Inspire loyalty and trust
Manage work
Partner with and across teams
Leadership and personal empowerment
Select talent

Managing Career Endings

Succession planning
Ample notice
Pre-retirement counselling, tours, training
Retirement celebrations and gifts
Exit interviews
100% relocation expenses

Creating Business Opportunities

Our objective is to reduce dependency and ensure that the community is self sustaining. To achieve this we promote entrepreneurship. This requires building of entrepreneurship skills and resources to ensure that the community takes charge of its development initiatives and not to depend entirely on the company.

In order to enhance entrepreneurship amongst the local community, our policy spells out market stalls allocation in the Township to be 40% local community, 40% others and 20% employees. The stalls are filled as they become vacant to attain this set target. We have also created a Multistakeholder Businesses Review Committee which will review these stalls. The committee comprises of local leaders and MSC employees.

We have further contracted out cleaning services of the offices and Magadi Township to the local community. Together with the local community we are also exploring other business opportunities such as in tourism and diversification of livelihoods by introducing bee keeping and posho mills for women groups. The Township cleaning has been awarded to Magadi Multipurpose Co-operative Society Limited. This is a community cooperative currently with over 400 members. Other groups such as Nasaru Women Group and Shompole Agencies have been given contracts in office cleaning and hospital cleaning respectively.

Case Study

Magadi Multi-Purpose Cooperative Society

This a community based Co-operative Society for the local community within Magadi Division. The formation of the Cooperative is in a bid to uplift the living standards of the local community as detailed in the established vision and mission statements.

Vision

The society's vision is to see a community that is equipped with entrepreneurship skills that reinforce their livelihood security and utilization of available resources for the betterment of the society.

Mission

The society's mission is to reinforce community effort for poverty alleviation, by enhancing entrepreneurship development, accountability and transparency, and promoting sustainable use of natural resources for the benefit of the Magadi community.

Projects Undertaken

In April 2004 the cooperative society managed to secure a two year 'Township Cleaning' Contract with Magadi Soda Co. By June 2004, the organisation had received maintenance and repairs jobs within the civil engineering section i.e. masonry, carpentry & joinery, plumbing, and painting. The cooperative also supplies building sand both to Magadi Soda Co. & Larsen & Tourbo, a contractor constructing the Magadi Soda's new plant. In addition the cooperative also provides unskilled labour to Magadi Soda & Larsen & Tourbo. After being in operation for 9 months it made profit and paid out 100% dividends to members. Members are increasing their shares and when enough is raised the society will be in position to expand beyond Magadi.

Other small businesses ventures set out to be undertaken include:

- A "simu ya jamii" community pay phone service
- A car wash
- The sales of livestock and livestock products.

Excellence & External Recognition

Awards for Excellence Programs

We are proud and honored to be recognised by others for our professional and community support efforts. The recognition we receive is an endorsement to our employees that their efforts are indeed steps in the right direction to improve the lives of not only ourselves but also our community.

A sample of initiatives that have been recognised by various institutions for being a good *corporate citizen* are highlighted. Some of these include:

- The Company of the Year Awards (COYA) which we won in 2000, 2002, 2003, 2004 & 2005;
- *Good environmental practices* from the Petroleum Institute of East Africa (PIEA);
- The 2004 Gold Award from Total Kenya for the ECO Challenge on Environmental Conservation programme;
- The 5 Star Safety Award from the British Safety Council as a result of exemplary performance in a safety audit; and
- Magadi Town has also been recognised as the cleanest township in Kenya, courtesy of Magadi Soda Company support.



Magadi Soda Company Managing Director, James Mathenge (right) receiving Company of the year Award from the Vice President of Kenya, Moody Awori

Planning for the Future

From March to November 2004, the International Finance Corporation (IFC) and Magadi Soda Company undertook a review of its community development programs. This exercise was undertaken utilising a multi-stakeholder approach with input from the government, NGO's and the community. Past initiatives implemented were considered and evaluated for their impact. This exercise yielded renewed effort and support for monitoring and evaluation to measure impacts, and we developed a sustainability plan and road map for future development under the auspices of a CDP secretariat.

A Secretariat has already been put up with the support of Magadi Soda and other partners such as Practical Action and the Royal Danish Embassy.

The overall objective of the CDP is to contribute towards sustainable improvement in the livelihoods of the Maasai community living in Magadi Division. This objective will in be implemented through focus on three areas to develop specific initiatives. These focus areas along with their key outputs are summarized.

CDP Focus Area	Envisioned Outputs
Development of Governance	<ol style="list-style-type: none"> 1. The CDP is planned and implemented on a rolling basis with resources secured from a range of partners including the government, private and civil sectors; 2. Cross-section of local stakeholders competent in participatory development planning, project planning, monitoring, reporting and ongoing evaluation techniques; 3. Strengthen the consultation and stakeholder engagement arrangements; 4. Ensure that community based organisations are operational and effective
Access to Services	<ol style="list-style-type: none"> 1. Develop alternative and sustainable solutions to service provision; 2. Enhance existing services to ensure they are robust; 3. Develop and operationalize new services.
Natural Resource Development	<ol style="list-style-type: none"> 1. Develop sustainable approaches to the development, utilisation and management of pastoral land; 2. Establish sustainable farming solutions in Nguruman and Pakase; 3. Diversify and strengthen community natural resource-based enterprises.

GRI Performance Indicators Chart

INDICATOR NUMBER & DESCRIPTION		PAGE(S)
Vision and Strategy		
1.1	Statement of the organisation's vision and strategy regarding sustainable development	6
1.2	Statement from the CEO describing key elements of the report	5
Profile		
2.1	Name of reporting organisation	5, 6
2.2	Major products and/or services, including brands if appropriate	8
2.3	Operational structure of the organisation	8
2.4	Description of major divisions, operating companies, subsidiaries and joint ventures	8
2.5	Countries in which the organisation's operations are located	8, 9
2.6	Nature of ownership; legal form	8
2.7	Nature of markets served	9
2.8	Scale of the reporting organisation	7
2.9	List of stakeholders, key attributes of each and relationship to the reporting organisation	11-13
Report Scope		
2.10	Contact person(s) for the report, including e-mail and web addresses	6
2.11	Reporting period	6
2.13	Boundaries of report (countries/regions, products, services etc.) and any specific limitations	6
2.14	Significant changes in size, structure, ownership	7

GRI Performance Indicators Chart

INDICATOR NUMBER & DESCRIPTION		PAGE(S)
Report Profile	2.18 Criteria/definitions used in accounting for costs/benefits	10
	2.20 Policy and internal practices to enhance accuracy, completeness and reliability	10
Governance Structure and Management Systems		
Structure and Governance	3.1 Governance structure of the organisation	14
	3.2 Percentage of the Board of Directors (Supervisory Board) that are independent/ non-executive directors	14
	3.3 Process for determining the expertise Board members need to guide strategic direction	14
	3.4 Board-level processes for overseeing economic/ environmental/social risks and opportunities	15-17
	3.5 Linkages between executive compensation and achievement of non-financial goals	14
	3.6 Organisational structure/responsibilities for oversight, implementation and audit of relevant policies	15-17
	3.7 Mission/values/codes of conduct/principles and status of implementation	6
	3.8 Mechanisms for shareholders to provide recommendations to Board of Management	10
Stakeholder Engagement	3.9 Basis for identification and selection of major stakeholders	10
	3.10 Approaches to stakeholder consultation in terms of frequency of consultations by type	10
	3.11 Type of information generated by stakeholder consultations	11-13
	3.12 Use of information resulting from stakeholder engagements	10

GRI Performance Indicators Chart

INDICATOR NUMBER & DESCRIPTION		PAGE(S)	
Overarching Policies and Management Systems	3.13	Explanation of how the precautionary principle is addressed by the organisation's policies	14
	3.14	Subscription to externally developed/ voluntary charters/principles/ initiatives	16-17
	3.15	Principal industry and business association membership	17
	3.16	Policies/ systems for supply chain management and product stewardship	17
	3.17	Approach to managing indirect impacts resulting from activities	10
	3.18	Major decisions regarding locations or changes of operations	7
	3.19	Programme and procedures for improvement programme/ actions	10
	3.20	Status of certification of environmental, labour, social accountability management systems	16
Economic Performance Indicators			
EC2	Geographical breakdown of key markets	9	
EC3	Goods, materials and services purchased	19	
EC5	Total payroll and benefits broken down by country/region	18	
EC7	Retained earnings	19	
EC8	Total sum of taxes per geographical region	18	
EC10	Donations to community/civil society, broken down in terms of cash/in-kind	18, 20	

GRI Performance Indicators Chart

INDICATOR NUMBER & DESCRIPTION			PAGE(S)
Environmental Performance Indicators			
Water	EN5	Total water use	23
	EN17	Initiatives for renewable energy	23
Biodiversity	EN23	Rights for production activities	23
Waste	EN11	Total amount of waste by type and destination	23
Overall	EN35	Total environmental expenditures by type	23

GRI Performance Indicators Chart

INDICATOR NUMBER & DESCRIPTION		PAGE(S)	
Social Performance Indicators, Labour Practices and Decent Work			
Employment	LA1	Geographical breakdown of workforce, where possible by region/country/status	24
	LA2	Net employment creation and average turnover segmented per region/country	24
	LA12	Employee benefits beyond legally mandated	29
Labour/ Management Relations	LA3	Percentage of employees represented by independent trade union per region/country	24
	LA13	Provision for formal representation	29
	LA4	Policy and procedure on information, consultation with employees (e.g. restructuring)	29
Health and Safety	LA5	Practices on recording/notification of occupational accidents/diseases (relation to ILO)	16, 22
	LA6	Description of formal joint H&S committees/ proportion of workforce represented in committees	22
	LA7	Standard injury, lost day and absent rates and work-related fatalities	22
	LA8	Description of policies or programmes (for the workplace and beyond) on HIV/AIDS	17
Training and Education	LA9	Average hours of training per year per category of employee	24
Diversity and Opportunity	LA10	Description of equal opportunities policies or programmes	29
	LA17	Policy and programmes for skills management/life learning	29
Human Rights	HR2	Evidence of consideration of human rights (investment/procurements/suppliers/contractors)	17

GRI Performance Indicators Chart

INDICATOR NUMBER & DESCRIPTION		PAGE(S)
Freedom of Association	HR5 Description of policies on freedom of Collective Bargaining association and programmes	29
Indigenous Rights	HR12 Description of policies, guidelines, and procedures to address the needs of indigenous people.	16, 30
	HR13 Description of jointly managed community grievance mechanisms/authority	16, 28
	HR14 Share of operating revenues from the area of operations that are redistributed to local communities	20
Community	SO1 Description of policy on community impact, programmes and monitoring systems and results	16, 30, 32
	SO4 Awards for social, ethical, environmental performance	31