



2024 Sustainability Report



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Our Targets



2025
Net Zero



2025
40% Grid energy
consumption reduction



2025
20% Water
usage reduction



2025
Zero waste to
landfill



85%+
Survival of
trees planted



Who We Are

Kampala Pharmaceutical Industries (1996) Limited (KPI) is the largest pharmaceutical manufacturer in Uganda with approximately 350 employees. The factory is centrally located in the capital city, Kampala, where we supply our products to all parts of the country and export to the East African region.

We are manufacturers of essential quality medicines in a range of therapeutic areas with special emphasis on malaria which is a major contributor to the burden of diseases in East Africa.

The company has a range of over 70 registered products in Uganda and we export some products to the East Africa region. KPI is a part of the Industrial Promotion Services (IPS) group which is the infrastructure and industrial development arm of the Aga Khan Fund for Economic Development (AKFED) – a development agency promoting entrepreneurship and economically sound enterprises in Sub-Saharan Africa and Central and Southern Asia. AKFED is an affiliate of the Aga Khan Development Network (AKDN).



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At KPI, we are committed to driving sustainability goals by implementing sustainable practices throughout our operations. Our contributions include optimizing resource utilisation, minimising waste generation, and promoting energy efficiency in our production processes. We will also prioritise the use of sustainable packaging materials and explore opportunities to reduce our carbon footprint.

By fostering a culture of environmental consciousness within the organisation, we aim to ensure that our manufacturing practices align with sustainability principles, contributing to a healthier planet and a more responsible industry.

Ankit Mishra

Head of Operations



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Quality at KPI is integral to our sustainability commitment. We strive to maintain the highest quality standards while minimising our waste and optimising resource use in our manufacturing. This we do through a rigorous quality control process that ensures product safety and efficacy, contributing to Good Health and Well-being. Our continuous improvement efforts drive us to adopt innovative, sustainable practices, aligning with the Sustainable Development Goals (SDG) 12 - Responsible Consumption and Production.

We believe that high-quality products and sustainable practices go hand in hand, creating long-term value for our stakeholders and the communities we serve.

Munish Thakur

Head of Quality Assurance



Our Commitment

The Company is fully committed to operating in a social, environmentally, and economically responsible manner, aligning the company's impact with the United Nations (UN) Sustainable Development Goals.

Our commitment to Environmental, Health, and Safety (EHS) principles remains fundamental to how we operate and shape a sustainable future. As we navigate an increasingly complex global landscape, the importance of aligning business growth with environmental responsibility has never been clearer. Our focus continues to be on minimising our ecological footprint, driving efficiency in resource usage, and advancing towards our ambitious Net Zero target.

KPI aims to limit global temperature increase to 1.5 degrees centigrade above pre-industrial levels. This means achieving and maintaining Net Zero by reducing, in absolute terms, businesses' operational emissions that fall under scope 1 & 2 to as close to zero as possible by 2025, against a 2021 baseline.

As guided by the Principles of the AKDN Environment and Climate Commitment (ECC) statement, KPI is committed to:



Responsible stewardship of the environment, ensuring that the earth can sustainably support future generations.



Focus on improving the quality of life and wellbeing (broadly defined) of the poorest and most vulnerable, in geographies of strategic importance.



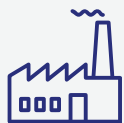
Demonstrating proactive, socially responsible, and values-oriented leadership on the most urgent civilisational – even existential – issues of our time.



Leading by example, and sharing our experiences with others, to influence policies, raise awareness, increase impact, and effect social transformation



Summary 2023-2024



14%

Absolute operational
emission



27%

Diesel
consumption



5%

Grid energy
usage



64%

Waste diverted
from landfill (%)



8%

Water usage



80%+

survival rate of trees
planted in 2023





Net Zero Journey

13 CLIMATE ACTION



15 LIFE ON LAND



Our Commitment

We are resolute in our pursuit of Net Zero emissions, a critical step in supporting the global transition to a sustainable future.

The company commenced the Net Zero Journey in 2021 which is the baseline year. We engaged technical consultants, One Carbon World (OCW) to assess Green House Gas (GHG) emissions from KPI. We committed to pursuing efforts to limit global temperature rise to **1.5°C** above pre-industrial levels, by achieving Net Zero by 2025 on our operational emissions.

Our Key Initiatives



Transitioning to lower Global Warming Potential (GWP) refrigerants.

We are gradually replacing outdated units that use R22 gas with more environmentally friendly alternatives, such as R-400, R-407C, or R-600. As part of this effort, in 2024, we replaced one unit previously using R22 with a new unit compatible with R-410. We continue to explore even better refrigerant options to enhance sustainability.



Supply chain management.

At KPI, we optimise logistics to lower carbon footprints, adopt energy-efficient operations, and promote eco-friendly procurement to minimise the negative impact on the environment and society while maintaining profitability and operational efficiency. Our environmental protection initiatives commence right from raw material sourcing to production, transportation, and distribution, all the way to end-of-life disposal or recycling. Through these efforts, we create a resilient supply chain that balances operational efficiency with environmental stewardship, contributing to a greener future for all.



Supplier engagement

We have engaged our supplier base through the online supplier questionnaire to assess their sustainability goals. These efforts underscore our commitment to engaging suppliers in line with our supplier engagement targets and advancing shared progress toward net-zero goals.

Some of the respondents have incorporated greenhouse gas (GHG) considerations in their environmental policies as follows.

24%

They are actively measuring and reporting on their emissions.

13%

They have established science-based targets for Scope 1 and 2 emissions.

6%

They have adopted science-based net-zero targets for their entire value chain.

The company has adopted strategies to create awareness amongst the supplier base through adopting questionnaires that drive emissions and Net Zero targets. This is done during the new suppliers' onboarding process and prioritises sourcing from suppliers who are conscious of both the impact of carbon emissions and sustainable operations.



Energy

7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Our Commitment

Energy consumption remains a central focus, where we seek to reduce dependency on non-renewable energy sources through strategic investments in renewable energy and energy-efficient technologies and interventions.

Our Target

Save **40%** of grid energy used by 2025.

2024 Progress

There was a **6%** increase in grid energy consumption and an **11%** increase in diesel consumption compared to 2023. The notable increase of **6%** in 2024 energy consumption is attributed to a general increase in production and increased grid power fluctuations and thus increased dependence on diesel.

Our Initiatives



Increased awareness on sustainable use of electricity by displacing “switch off” signages at every switch for non-critical machines and equipment.



Waste



Our Commitment

Reduce waste in all our operations.

Our Target

Zero waste to landfill by 2025.

Our Initiatives



Waste management awareness sessions for 15 staff of our housekeeping team.



Reprocessed non-conforming batches where applicable, and this reduced waste generation.



Continuously dealt with licensed waste handlers to ensure responsible waste handling and disposal.



Opted for repair and refurbishment of equipment to extend product life and reduce waste that would have been generated.



Maintained secondary packaging materials to be of biodegradable and recyclable grade.



Water

6 CLEAN WATER
AND SANITATION



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Our Commitment

To ensure that water is used sustainably and efficiently in all our operations.

Our Target

Save **20%** of water used by 2025.

2024 Progress

There was a **6%** increase in water usage compared to 2023, attributed to increased production.

Our Initiatives

Repaired all water leakages on time and this prevented the wastage of water.

Gradually upgrading to water-efficient equipment and in 2024 **1** faulty ordinary tap was replaced with a push tap that gives controlled water flow.

Sensitised **15** employees of the housekeeping team on water conservation practices.

Tree Growing

13 CLIMATE
ACTION



15 LIFE
ON LAND



Our Commitment

We seek to restore the ecosystem through the planting of trees.

Our Target

80%+ survival of trees planted.

Our Achievement

85% growth rate of the **800** trees planted in 2024.

Our Initiatives

KPI in partnership with Kampala City Council Authority (KCCA) planted and provided a total of **800** endangered tree species for growing at Naguru Drive, Katalima close and Ntinda **11** road, Makerere University area (Kikumikikumi, Wandegaya Mosque area) and St Andrews church Bukoto.





Health and Wellbeing

3 GOOD HEALTH AND WELL-BEING



Our Commitment

We seek to improve the health and wellbeing of our employees by empowering them through our workplace wellness programme. Our heritage is in ensuring our employees are at their best to give the best output.

Our Achievement

Our total incident rate (TIR) was **0.0** as of 2024.

Our Initiatives

Safety



Trained and empowered **251** staff on PPE use, handling and maintenance, fire safety, welding and grinding safety training and Good Manufacturing Practices (GMP). This improved performance reduced the number of incidents and contributed to our TIR being **0.0**.

Wellness



KPI has a well-equipped and stocked clinic to cater for a monthly average of **250** employees. This has reduced staff sick leave by **20%** thus increasing productivity.



The KPI clinic offered wellness services for **330** staff through annual medical check-ups, screening and counselling. This improved staff morale at the workplace.



259 staff participated in the eyesight examination exercise and **295** staff attended the TB check-ups.



As part of our ongoing health initiatives, we also hosted a medical camp at our premises, providing free HIV screening and counselling as well as blood sugar and blood pressure testing.





Education

4 QUALITY EDUCATION



5 GENDER EQUALITY



Our Commitment

As part of our commitment to creating a better, healthier future, we believe in fostering a workplace that not only drives professionalism, integrity and innovation but also contributes positively to the environment and society. We are committed to empowering our employees with the knowledge, tools, and support needed to drive initiatives that promote environmental stewardship, social responsibility, and economic sustainability.

Our Achievement

A total number of **67** manhours of training and **68%** of employees trained in Current Good Manufacturing Practice (CGMP) Requirements, PPE use, handling and maintenance, welding and grinding safety training, cancer and yellow fever awareness, team leaders training, women in conflict and many more.

Our Initiatives



Conducted Training Needs Assessment (TNA) by reviewing the performance appraisal records of over **100** employees and this provided information on the skills gap and subsequently propelled the organisation of appropriate training to close the gaps. This generally enhanced professional development among our staff.



Built an awareness of diversity and inclusion and fostered a more welcoming, respectful and productive workforce. Cultural awareness was celebrated on cultural day, with articles highlighting the importance of diversity and inclusion.





Community

2 ZERO HUNGER



8 DECENT WORK AND ECONOMIC GROWTH



Our Commitment

Empower communities in which we operate.

Our Initiatives



A total of **46** KPI employees Participated in the ABSA run for girl child education and the cancer run, in solidarity with the fight against cancer. Participation in the ABSA run contributed to transforming the education of disadvantaged girls.



KPI partnered with ABSA for the KH3-7 cancer run, to raise funds for the construction and completion of the Rotary Radiotherapy Centre in Nsambya, Uganda.



KPI participated in the Rotary cancer run, to raise funds for the construction and completion of the Rotary Radiotherapy Centre in Nsambya, Uganda.



In the spirit of Eid al Fitr, the KPI family gave back to their community by providing essential resources like food, clothes, household items, and scholastic materials to over **300** residents in Naguru-go down Area, Nakawa sub-county, Kampala, Uganda. This initiative reflected Kampala Pharmaceutical Industries (1996) Limited ongoing commitment to supporting the communities in which we operate.

Diversity, Equity & Inclusion

Our business system provides access to equal opportunity and fosters belonging both in our workplaces and the communities we serve.

The female-male: Male Ratio is currently at 41% and going forward there'll be more emphasis on rebuilding this ratio to 50% within the permanent workforce, which has suitable roles for both genders.

Governance

KPI is dedicated to compliance, accountability, and ongoing enhancement of our practices. We welcomed representatives from the National Drug Authority for a compliance assessment, reinforcing our commitment to regulatory standards.

This engagement entailed a discussion on the requirements for KPI's regional market expansion, providing great insights on the recommended course of action for KPI. Regular engagement with regulatory bodies remains integral to our dedication to transparency and continuous improvement.



Awards and Achievements

High on the Human Resource agenda is maintaining an engaged and motivated workforce through a recognition scheme where employees who demonstrate an outstanding contribution to KPI core values are appreciated – Over **100** staff have since been nominated and **47** have been recognised.



SILVER AWARD

Achievement with an impact across the business





Mulibanga Joseph
Stores Assistant -Production
Production Department

AWARDED FOR: Innovating a new organisation system in the granules stores, making sure drums are clean and labelled before entering stores this has eliminated the risk of mix-ups of batches or products in the granules stores. In addition he ensures timely documentation of the logbooks in his work area.

CORE VALUES DEMONSTRATED:

1. Innovation
2. Professionalism



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