



2022

Sustainability Report

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Our Targets



2030
Net Zero



2025
40% Energy
consumption reduction



2025
20% Water
consumption reduction



2025
Zero waste to
landfill



80%+
survival of the
trees planted



Who we are

Established in 1996, Kampala Pharmaceutical Industries (KPI) Ltd. is the largest pharmaceutical manufacturer in Uganda with approximately 350 employees. The factory is centrally located in the capital city, Kampala.

KPI manufactures high-quality and affordable essential medicines for communicable and non-communicable diseases as well as food supplements (nutraceuticals) and veterinary products for the domestic and regional markets. The company has a range of over 70 registered products in Uganda, and we export some products to the Larger East Africa region.

KPI is a member of the Industrial Promotion Services (IPS) group of companies, which is an affiliate of the Aga Khan Fund for Economic Development (AKFED) – an international development agency dedicated to promoting entrepreneurship and building economically sound enterprises in sub-Saharan Africa as well as Central and Southern Asia.

AKFED is an affiliate of Aga Khan Development Network (AKDN).

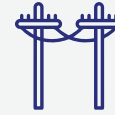


Our Commitment

The Company is fully committed to operating in a socially, environmentally and economically responsible manner, aligning the company's impact with the UN Sustainable Development Goals. Adequate resources have been committed in our budgets to facilitate meeting the commitments.



Summary 2021-2022



1%

Electricity
consumption efficiency



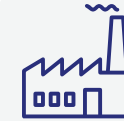
4%

Water usage
efficiency



50%

Waste recycled



5%

Scope 1 and 2
emissions improvement



80%+

Tree Survival





Net Zero Journey

13 CLIMATE ACTION



15 LIFE ON LAND



Our Commitment

The company commenced the Net Zero journey in 2022. We engaged an external partner, One Carbon World (OCW) to assess the baseline Green House Gas (GHG) emissions from KPI, using 2021 as the base year. This comprehensive assessment covered scope 1, 2, and 3.

The decarbonisation plan aimed to highlight the mitigation actions KPI will undertake to further reduce emissions from its operations, to achieve net zero by 2030.

This decarbonisation plan is guided by the overarching principles of the AKDN ECC statement, including:



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



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



Focusing on improving the quality of life and well-being (broadly defined) of the poorest and most vulnerable, in geographies of strategic importance.



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

To limit the 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 (scope 1 & 2) to as close to zero as possible by 2030 against a 2021 baseline and thereafter neutralising residual emissions from the atmosphere.

Target & Implementation Plan

To achieve the overall goal for the 1.5 pathway, need to reduce emissions by 42% per year.

With the commencement of the journey, fully-fledged sensitization and awareness sessions have been conducted at various levels, to ensure all employees are aware of the expectations. These include energy management, zero waste to landfill through recycling of waste and re-use of waste material, and recycling of water from other activities to washrooms and laundry area.

Offsetting carbon from the environment through tree planting activities with government bodies and parastatals such as KCCA, and NFA partnering with KPI to avail trees in different communities.

Another key element is the transition to environmentally friendly refrigerants and the use of gas recovery units. Refrigerants have long been known to harm the environment, with the majority having a high Global Warming Potential (GWP) and thus depleting the ozone layer. KPI has been exploring the use of less potent refrigerants (lower GWP), transitioning to environmentally friendly refrigerants, R-407C, while continuing to investigate better options.





Environmental and Sustainability Policy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



Our Commitment

At KPI we are committed to providing quality services in a manner that ensures a safe and healthy workplace environment for our employees and minimises our potential impact on the environment. We will operate in compliance with all relevant environmental legislation, and we will strive to use pollution prevention and environmental best practices in all we do.

We will:



Integrate the consideration of environmental concerns and impacts into all of our decision making and activities.



Promote environmental awareness among our employees and encourage them to work in an environmentally responsible manner.



Promote efficient use of materials and resources throughout our facility including water, electricity, raw materials, and other resources, particularly those that are non-renewable.



Where required by legislation or where significant health, safety or environmental hazards exist, develop and maintain appropriate emergency and spill response programmes.



Communicate our environmental commitment to clients, customers, and the public and encourage them to support it.



Strive to continually improve our environmental performance and minimise the social impact and damage of activities by periodically reviewing our environmental policy.



Train, educate, and inform our employees about environmental issues that may affect their work.



Purchase and use environmentally responsible products accordingly.



Manage waste through the four R principles (Reduce, Re-use, Recovery, and Recycle). Re-use and recycle by purchasing recycled, recyclable, or re-furnished products and materials where these alternatives are available, economical, and suitable.



Avoid unnecessary use of hazardous materials and products, seek substitutions when feasible and take all reasonable steps to protect human health and the environment when such materials must be used, stored and disposed of.



Energy

7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Our Commitment

To reduce and optimize the use of energy in all our operations.

Our Target

Using 2020 as the baseline, we aim to reduce energy consumption by 40% by 2025.

Our Achievement

Electricity consumption in 2022 was 574.56 KWH/ton, a slight decrease of 4.39 KWH/ton from 578.95 KWH/ton in 2021. A **0.76%** reduction was reported.

Fuel consumption has reduced to 37.41L/ton in 2022 from 42.3L/ton in 2021 making it a **13.07%** decrease in fuel consumption.

Our Initiatives



Solar installation project plan in play for the new KPI facility being constructed.



Boiler overhaul and insulation of steam pipes.



Implementation of the energy minimisation action plan which contribute positively to the achievement of the targets.



Behavioural changes due to awareness of energy management.



Water

6 CLEAN WATER AND SANITATION



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Our Commitment

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

Our Target

20% water reduction by 2025.

Our Achievement

Water consumption has dropped from 1500m³ monthly to 1000m³ saving 500m³ of water. A **33.33%** reduction was registered.

Our Initiatives

Reverse Osmosis (RO) is used in washrooms, laundry, compound cleaning and throughout the factory.

All taps were changed to push taps.

Sensitization and awareness to staff on water efficiency.

Waste

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



Our Commitment

Reduce waste in all our operations.

Our Target

Zero Waste to Landfill by 2025.

Our Initiatives

Purchasing color-coded bins.

Waste segregation at the point of generation.

Reuse, Recycle Recover and Reduce waste campaigns.

Waste management training.

Working with NEMA-licensed waste handlers/contractors.





Tree Growing

13 CLIMATE ACTION



15 LIFE ON LAND



Our Commitment

To help restore the ecosystem by planting thousands of trees.

Our Target

80%+ survival of trees planted.

Our Initiatives



KPI in partnership with Kampala City Council Authority (KCCA), provided a total of 800 endangered tree species for growing within the division of Kampala, Kabaka palace.



Our goal is to plant thousands of trees, as we continue to partner with KCCA.



Education

4 QUALITY EDUCATION



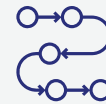
5 GENDER EQUALITY



Our Commitment

KPI acknowledges its role to educate staff on best practices.

Our Initiatives



An annual internal and external training matrix was developed based on the training needs assessment (TNS) and staff suggestions.



Sensitization sessions on environmental sustainability (water, waste management and energy conservation) were done throughout the year.



A total number of 344 employees were involved in various training and this accumulated 1,205 man-hours of training.



Health and Wellbeing

3 GOOD HEALTH AND WELL-BEING

Our Commitment



To empower our employees through our workplace wellness programme, which seeks to improve their health and wellbeing. Our heritage is in ensuring our employees are at their best to give the best to our esteemed customers.

Our Achievement

We registered zero accidents at the workplace in 2022.

Our Initiatives

Wellness



KPI has a well-equipped and stocked clinic for our staff.



KPI clinic offers community services to the surrounding by giving them medication as prescribed by doctors.



Counselors are available onsite for all staff.



Wellness programs such as annual checks for staff, free vaccinations, and treatment for Hepatitis B, TB, sight, chronic illness, and hearing were frequently done.

Safety



External first aid training for first aiders to staff. 28 staff across departments benefitted.



Trainings on Safe Systems of Work (SSoW) aligning with the health and safety principles.

A scientist wearing a white lab coat, a blue hairnet, and clear safety goggles is working in a laboratory. They are holding a test tube in their right hand and a pipette in their left hand. The background is a blurred laboratory setting with various pieces of equipment.

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