

## **Response to recent media attention on Karebe Gold Mining Limited**

**16 January 2018**

In 2009, the Maris team and Mining Division manager David May started Karebe Gold Mining Limited (KGML), now the largest gold producer in Kenya. Maris remains very proud of what the team at KGML continues to achieve, and feels a responsibility to respond to a number of erroneous and unflattering media reports that KGML has been subject to over the past few months. It is worthy of note that at no point during the investigation and publication/airing of these reports was Maris or KGML approached for its opinion on the matters or given any right to respond. Both Maris and KGML feel aggrieved by this fact, particularly as management believes the company behaves in an exemplary manner both in terms of its operational and production track record and more importantly in terms of its relationship with the surrounding community and its corporate social responsibility initiatives. Indeed, Maris believes that KGML mine is a flagship of the fledgling Kenyan mining sector.

### **Corrections to media misreporting and false allegations**

#### ***1: Worker terms and conditions***

The working conditions at KGML are in line with global operating standards for closed mines, IFC (International Finance Corporation, part of the World Bank Group) Environmental, Health and Safety Guidelines for Mining, and the IFC's published Performance Standards on Environmental and Social Sustainability.

Occupation health and safety is taken very seriously at KGML, and KGML's occupational health and safety standards are exemplary with no serious accidents or injuries in the 9 year mine life. KGML provides all the necessary health and safety equipment including breathing apparatus and protective equipment. Workers are given free medical care should they be suffering from work related or other ailments. KGML also provides medical assistance for non-work related illnesses and has numerous staff who have been helped following accidents or helped with their chronic conditions.

With regards to challenges to the toilet facilities in the media reports, it is not safe or appropriate to install flushing toilets in a closed mine as the waste has nowhere to go. The toilet facilities provided by KGML are in line with the global norms for closed or underground mines, and allow for urinals, but not full toilets, which present a health and safety risk in the build-up of gases and sewage underground, which has to be carried out of the mine. Modern flushable toilets are available to staff at the entrance to the main mine shaft, a 5 minute walk from their work stations. Anyone requiring an urgent toilet break can leave underground and anyone with stomach issues is not allowed to work underground while sick.

KGML has implemented all the labour laws as stipulated by COTU (Central Organisation of Trade Unions). KGML complies with local and international regulations, including the IFC Environmental, Health and Safety Guidelines for Mining. The company is subject to annual local health and safety audits and on an ad hoc basis by shareholders who use internationally experienced Environmental and Health and Safety Consultants. KGML was audited by the County Health and Safety Office in October 2017. They were impressed by KGML's standards and their report stated that they have no objections to KGML operations. In addition, they have requested if they can send students to KGML. Furthermore the company was also audited by the Auditor General in 2017, and received a positive report.

In response to challenges on compensation, it is worthy of note that KGML workers are compensated above market rate and on average 2 to 3 times higher than any employer in the area.

## ***2: Alleged tremors, cracks and loss of hearing***

Whilst allegations of tremors, cracks and loss of hearing have been made in the media, KGML has no verified reports or records of localised tremors due to mining activity in the area. The company acknowledges that there is noise during daytime hours but this are within the NEMA (National Environment Management Authority) guidelines for noise pollution. KGML has sophisticated sensory equipment that can verify that there have been no earth tremors or subsidence that may have caused cracks or hearing damage.

KGML has had no reports or claims regarding loss of hearing due to dust or noise from employees or local residents. KGML welcomes anyone who has concerns around this health and safety issues to visit the local clinic or physician who would verify the cause of this problems. Workers are all provided with personal protective equipment by the company.

KGML has a comprehensive environmental management system in place to monitor the effects of its operations on the environment and address any issues should they arise. The system provides scheduled monitoring, engineering controls and reporting on a number of risk areas. KGML complies with local and international regulations, including the IFC Performance Standards on measuring, mitigating and reporting its environmental impact, as well as the IFC Environmental, Health and Safety Guidelines for Mining. KGML's Environmental Impact Assessment and Environmental Monitoring and Protection Plans have been approved by NEMA, and KGML is audited on a regular basis by NEMA. The company is environmental incident free.

## ***3: Land issues***

Challenges regarding land issues have been made in the media. However, KGML has legally obtained licences and concessions to mining in the area. The company has acquired, or is in the process of acquiring, the mines according to all legal procedures and requirements. KGML has not encroached on anyone's land or forcefully evicted anyone.

KGML has honoured all the agreements that it has made with landowners. The Lands Authority and Ministry of Environment have verified this and the company has all the agreements to this effect. Landlords in almost all cases have been offered 10 year contracts which provide them with long term sustainable incomes. Further to this, KGML has provided direct employment to members of their families and provided free electricity, water and numerous other benefits.

## ***4: The Mine's impact on the community***

To date, over US\$10 million has been invested in developing the Karebe mine and its surrounding infrastructure.

KGML employs 284 staff members across its operational and management teams, of which only 13 are expatriates (under 5%). The vast majority of KGML's staff are Kenyan nationals and the mine is one of the biggest employers in the area. The mine also operates a strong local content policy within its supply chain – employing a range of local contractors locally and nationally while promoting a high degree of economic activity in the area.

KGML has a strong focus on education and personal development and receives many student visitors to the mine each year. The company usually hosts 5 mining engineering students per year from Jomo Kenyatta University, who come to the mine to study mining excellence and to undertake internships. KGML also provides school bursaries for 100 of the most disadvantaged children within the local community. Recipients are agreed in conjunction with community members and chiefs from the immediate village and several neighbouring areas.

KGML has been operating a community programme since 2009, with investments totalling KSH 40 million to date. This community programme includes the funding of scholarships, community infrastructure, power and water connections, major road repairs, building and supporting local health centres, school repairs, school infrastructure, school materials and sports team sponsorship. Last year KGML invested KSH 5million in building a full police post including the armoury, reception room, crime rooms and cells, and made a well so the police could have their own supply of fresh water. This directly benefits the local community and government.

Beyond its direct community investments, in 2016 alone KGML made total tax contributions to the national and county governments of KSH232 million. These contributions are a significant source of revenue for the nation and the county, and go to fund infrastructure and social programs in the region. The company has made total tax contributions of just under KSH1 billion to the county and national governments since it started operations in Kenya in 2009.

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### **About Karebe Gold Mining Limited (KGML)**

Karebe Gold Mine Limited (KGML) is one of Kenya's only licensed and economically significant gold mines and has been in operation since 2009. It comprises of three separate gold mines in Nandi County in Western Kenya. It is owned and operated by Maris Limited, a Mauritian incorporated entity with Kenyan and European private and institutional shareholders. Gold was first discovered in this location in the 1950's during which point a number of small scale mines were developed in the area. The mining activity then came to a halt after independence and there was no mining until the reopening of Karebe in 2009. KGML has since become a flagship of Kenya's mining sector.

KGML is licensed by the Ministry of Mines to mine the concession, and operates with a Social Prospecting Licence (SPL) and a Location License (a mining license). Karebe is an underground mine, that operates in accordance with international mine safety standards. It is certified and audited on a regular basis by NEMA (National Environment Management Agency). It also operates to the IFC (International Finance Corporation, part of the World Bank Group) Performance Standards and IFC Environmental, Health and Safety Guidelines for Mining.

The gold produced by KGML is sold to the globally accredited and ISO9000 certified Rand Refinery, which refines most of Africa's gold, through a fully transparent process, subject to anti-money laundering legislation. KGML is one of two licensed producers exporting gold from Kenya.

[www.karebe.com](http://www.karebe.com)

### **About Maris**

Maris is an investment holding company that is diversified across eight African countries and actively invests in four key strategic domains; Property Services, Business Services, Mining, and Agriculture and Forestry. Maris currently has 20 holdings in which it has a controlling interest. The group brings distinctive capabilities with a Management Team and Board with extensive operational and management experience in emerging and frontier markets, widespread networks both globally and within key markets, and a rigorous investment approach developed through decades of global investment experience.



Maris has a strong focus on social responsibility in each of the areas in which it operates. Maris believes that one of the most critical ways of protecting an investment for the long term is through building a very close association with the local community, particularly in very remote areas. Maris adheres to the IFC performance standards throughout its businesses and through its people, community and environmental programmes it works to maximise the environmental and social benefit of its investments, alongside returns to shareholders.

Maris Limited is headquartered in Mauritius. Its companies are supported from the office in Nairobi that is home to its investment, operations, finance, procurement, and human resource functions, and additional offices in Maputo and London.

<http://marisafrika.com/>