



Kenya Union of Commercial, Food and Allied Workers v DHL Supply Chain Kenya Limited (Cause E506 of 2022) [2025] KEELRC 2034 (KLR) (25 June 2025) (Judgment)

Neutral citation: [2025] KEELRC 2034 (KLR)

**REPUBLIC OF KENYA
IN THE EMPLOYMENT AND LABOUR RELATIONS COURT AT NAIROBI
CAUSE E506 OF 2022
DKN MARETE, J
JUNE 25, 2025**

BETWEEN
KENYA UNION OF COMMERCIAL, FOOD AND ALLIED WORKERS CLAIMANT
AND
DHL SUPPLY CHAIN KENYA LIMITED RESPONDENT

JUDGMENT

1. This matter was originated by way of a Memorandum of Claim dated 22nd June 2022. The issue in dispute is therein cited as;

Failure/refusal to renew or extend employment contract to seventeen (17) employees.
2. The Respondent in a Respondents’ Memorandum of Defence dated 5th November, 2024 denies the claim and prays that it be dismissed with costs to herself.
3. The Claimant’s case is that the parties to this suit have a valid recognition agreement and enjoy a host of periodically revised Collective Bargaining Agreements (CBA’s). The latest of this is the one for the period 1st August, 2018 to July, 2020.
4. The Claimant’s further case is that the seventeen (17) affected employees or grievant were unionized employees and therefore covered by the terms and conditions of the CBA above referred. They were employed by the Respondent on diverse dates and worked for periods ranging between 2009 and 2020.
5. The Claimant’s other case comes out thus; On 28th January, 2020, the Respondent wrote to the grievant informing them of expiry and non- renewal or extension of the Employment Contracts. On 20th February, 2020, the Claimant wrote to the Respondent challenging the fairness of the termination of failure to renew the contract. The Claimant effort to engage the Respondent and come up with an amicable settlement fails on 10th March, 2020 thereby reporting a trade dispute to the Cabinet



Secretary, Ministry of Labour. On 22nd June, 2020, a conciliator was appointed to manage the dispute. Despite conciliation meeting, the matter was not resolved and the conciliator issued the requisite certificate of unresolved dispute and therefore this suit.

6. The Claimant further avers as follows; That whenever a corporate client would be terminated, the employees would be deployed to the next corporate client irrespective of whether the individual had expired. The Respondent's refusal to renew or extend the grievant employment contract, their clients OUP had not given any indication of terminating its contract and therefore the need for renewal or extension existed. The Respondent's failure/refusal to renew/extend contracts for workers working in a running contract fall below the tenets and principles of fair labour practice. This non-renewal amounted to bad faith, engaging in unfair labour practice and was unlawfully vitiated to the grievants right to employment and also continued employment. At the point of such refusal to renew, the Respondent hired casual employees.
7. She prays as follows;
 - i. Declare the Respondent's actions as unfair/unlawful and unconstitutional.
 - ii. Order the Respondent to reinstate the grievants on the very employment terms which prevailed prior to termination, in the alternative.
 - iii. Find the grievants to have been unlawfully declared redundant and order redundancy benefits be paid as per Collective Bargaining Agreement operational at the time.
 - iv. Order the Respondent to pay the grievants 12 months' gross pay as compensation for unfair/unlawful action of refusal to pay their terminal dues.
 - v. Cost of the suit to the Claimant.
 - vi. Any other relief that the Hon. Court may deem fit to meet the ends of justice.
8. The Respondent's case is that the grievants were employed on fixed term employment contract which expired by effluxion of time. The issue of unfair termination of employment as alleged by the Claimant therefore does not arise. It was an express term of the said contracts that after their expiry, the grievants would cease to be employed with the Respondent. They accepted and agreed to be bound by the terms of the contract.
9. The Respondent's further case is that at the expiry of the grievants contracts. They did not renew them. This was in accordance with the applicable law and parties contracts. The grievants were paid their dues in the accordance with the CBA and left. The Claim is therefore denied for being unjustified due to the following reasons;
 - i. The Respondent's actions were fair and in accordance with the grievants contracts.
 - ii. The grievants were all paid their dues in accordance with their contracts.
 - iii. An award of 12 months' gross pay as compensation is without basis as the grievants were not unfairly terminated.
10. The issues for determination therefore are;
 1. Whether there was a termination of the employment of the grievants by the Respondent.
 2. Whether the termination, if at all, of the employment of the grievants by the Respondent was wrongful, unfair and unlawful.



3. Whether the Claimant is entitled to the relief sought.
 4. Who bears the costs of this suit?
11. The 1st issue for determination is whether there was a termination of the employment of the grievants by the Respondent. On this the Claimant submits that the refusal to renew the contracts was unfair termination. The Respondent on the other hand maintains that the contracts expired by effluxion of time. The law on fixed-term contracts is well settled in Kenya. Section 10(5) of the [Employment Act, 2007](#) provides thus;
- “A contract for a fixed term shall terminate on expiry of its term without notice unless otherwise agreed in writing.”
12. The Respondent sought to buttress this by relying on authority of [Registered Trustees of the Presbyterian Church of East Africa & Another v Ruth Gathoni Ngotho-Kariuki](#) [2017] eKLR where the Court of Appeal observed thus;
- “A fixed-term contract carries no rights, obligations, or expectations beyond the date of expiry. Any claim based on wrongful termination after expiry is unsustainable.”
13. Similarly, in [Abdala & 9 Others v Zhongmei & Another](#) [2025] KECA 26 (KLR), the Court of Appeal reiterated that;
- “The contract period having lapsed by effluxion of time, there was no obligation on the part of the respondent to give notice of expiry.”
14. In the instant case, the grievants’ contracts had clear expiry dates and the Respondent notified them of non-renewal. There was no premature termination, and thus there was no termination under Section 45 of the [Employment Act, 2007](#).
15. The Claimant submits that the grievants had a legitimate expectation of renewal, given their long service, some since 2009. However, as held in the authority [Republic v Pharmacy and Poisons Board & 2 Others Ex-parte Juliet Linemo Agufa](#) [2015] eKLR, legitimate expectation requires evidence of a clear representation or promise in relation to the issue at hand, it must be in clear and unambiguous terms besides being reasonableness of the expectation. This representation must also have been made by the decision maker with legal backing and competence to make the same. Here, the contracts contained no automatic renewal clause and the Respondent made no promises of renewal. The mere fact that some grievants had been renewed before does not create a legally enforceable expectation.
16. The Claimant’s contention that the non-renewal was a disguised redundancy does not also add up. Section 2 of the [Labour Relations Act, 2007](#) defines redundancy as “the loss of employment... through no fault of an employee, involving termination at the employer’s initiative where services are superfluous.” Redundancy applies where employment is terminated before contract expiry, not where a fixed-term contract lapses. The Court in [Veronica Moraa & 28 Others v Indu Farm \(EPZ\)](#) [2016] eKLR held that; “Where a fixed-term contract expires, non-renewal is not redundancy but a natural conclusion of the contractual relationship.” Again, the Respondent’s witness, one, Serah Nyaruiru in her credible witness statement dated 28th November, 2024 confirmed that the grievants were paid their terminal dues as per their contracts and not redundancy pay. Since the contracts ended by effluxion of time, the redundancy claim fails. On these premises, a case of termination of employment does not arise. This was purely one of lapsed of the fixed term contract of the grievants which the Respondent



chose not to renew. Issues of redundancy are also neither here nor there. I therefore find a case of no termination of employment and hold as such. This answers the first issue for determination.

17. On a finding of no termination of employment for the grievants, the other issues for determination become a cropper. They fall by the way side and are not material for determination.

18. I am therefore inclined to dismiss the claim with orders that each party bears their costs of the same.

DELIVERED, DATED AND SIGNED THIS 25TH DAY OF JUNE 2025.

D. K. NJAGI MARETE

JUDGE

Appearances:

1. Lilian Manene for the Claimant Union.

2. Mima holding brief for Kaburo instructed by Kaplan & Stratton for the Respondent.

