



4 QUALITY EDUCATION



3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



Our Community



*DECENT EMPLOYMENT
AND DIVERSITY*

Providing decent employment and diversity

As part of our commitment, we provide equal employment opportunities within a conducive work environment that delivers: fair income, workplace protection, social protection for families, personal development and social integration, freedom to express their concerns, organize and participate in decision making and equality of opportunities for all.

We provide our employees with legally binding employment contracts signed by both parties. For specialized or temporary services, we engage the services of independent contractors that we ensure reflect our standards in terms of compliance with the law as well as respect for Human Rights.





EMPLOYEE
HOUSING



981

The number of houses across 34 villages at Kakuzi PLC. The houses are inspected monthly by public health officers to ensure they are free of health & safety hazards.

Adequate Housing

The company provides adequate housing at no cost to employees and their families. The houses have potable water, adequate sanitation and are strategically located to enhance access to health care facilities, schools and other social amenities. The housing units surpass ILO housing requirements of at least 3.6 square meters per person and are designed to accommodate more than four persons.

Each unit has enough room for a standard compound for the purposes of a kitchen garden to enhance food security. Each house has a sanitation facility and access to clean standpipe water.

Quarterly inspections are carried out to ensure houses are clean, habitable, and maintained in a good state of repair. The 981 houses spread across 34 villages are inspected monthly by public health officers to ensure they are free of residential health and safety hazards.

Kitchen gardens

We appreciate the role of a good diet for healthy living. In particular, vegetables are a very important part of a good diet as they contain various nutrients for many body functions. To ensure nutritional needs are met all year-round, Kakuzi runs a Kitchen Garden Programme. Our employees are encouraged to cultivate the area around their houses and plant diverse vegetables to feed their families and produce surplus for sale. We sensitise and encourage staff to plant indigenous vegetables which are highly nutritious. The result has been improved nutrition in our estates.

The Kitchen Garden Programme supplemented the company's programme of providing food staples to employees during the height of the Covid-19 pandemic.





HEALTH & SOCIAL
WELFARE PROGRAMME

Good Health and Social Welfare Programmes

- Access to primary & curative healthcare

With two medical facilities and three qualified healthcare professionals, Kakuzi provides its employees and their dependants with free primary and curative healthcare. We also run several social programmes aimed at supporting our employees, the youth, and the wider community.

These include:

- Mother and Child Health (MCH)
- Voluntary HIV Counselling and Testing
- Reproductive Health Programme
- Nutrition and Mental Health Awareness
- Tabasamu Menstrual Hygiene programme
- Stand Against Alcohol and Substance Abuse (SAASA) programme
- Sexual Harassment Awareness Reporting and Prevention (SHARP)

To ensure that the employees have uninterrupted access to healthcare, the company employed 13 more healthcare personnel, doubling the number of health workers at company dispensaries.

Tabasamu menstrual hygiene programme

The programme addresses social and environmental-related (water and sanitation) barriers in relation to managing monthly menstruation. These barriers hinder girls' performance in schools and women's contribution in the workplace as well as affecting their health and wellbeing. To address this, we rolled out a menstrual hygiene programme known as **TABASAMU** (Swahili for Smile) for our female employees and school girls in the surrounding community.

The programme is run by a steering committee made up of female managers and incorporates champions from all divisions. The objectives include:

- Menstrual hygiene/health education
- Access to safe and clean menstrual absorbents
- Water, sanitation and hygiene infrastructure
- Safe disposal of menstrual absorbents

Through the program, the employees are able to access free sanitary towels as well as a supportive workplace environments for menstrual hygiene management. In the neighbouring community schools, the company is running a similar program to ensure that no girl misses school due to periods and thus impact academic performance.

Sexual Harassment Awareness Reporting and Prevention (SHARP)



Through the programme, the employees can access free sanitary towels as well as a supportive workplace environment for menstrual hygiene management.



As Kakuzi we are committed to providing a safe environment for all employees free from discrimination on any ground, including sexual harassment. Reporting any form of sexual harassment at the workplace is a critical step in addressing such incidents. Our aim is to ensure that no employee endures sexual harassment because of fear of inaction, blame, fear of disbelief of their claim, or retaliation.

The SHARP campaign is aimed at building open teams and encouraging everyone to have a voice. Employees are empowered through provision of relevant information on our sexual harassment policy and are encouraged to participate in revisions to the existing policy and reporting mechanisms and the comprehensive programme. Community members

have access to reporting channels through our social media platforms and are encouraged to report any such forms of harassment. In order to expand the opportunities to speak out, educate and monitor sexual harassment, we have commissioned 50 champions among the employees to sustain implementation of the SHARP programme. We continue training our employees on sexual harassment reporting and prevention at the work place.

Stand Against Alcohol and Substance Abuse (SAASA) programme

Substance abuse among employees can threaten public safety, impair job performance and threaten their own safety.

Through our SAASA program, we avert problems related to misuse of alcohol and drugs among workers. We do this by educating the youth, our employees and the larger community on the dangers posed by these substances. SAASA feeds directly into Kakuzi's mental health programme which has an additional focus on counselling, stress and depression management, as well as promoting family cohesion.



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Safety and Health

In our commitment to provide decent work, we maintain a comprehensive occupational health and safety programme that a senior member of the management team oversees. The programme is guided by the Health and Safety Policy which is reviewed periodically to reflect industry standards, organisational needs, and legal requirements. The components of the programme include workplace risk assessment, joint health and safety committees, workplace inspections, first aid implementation, fire safety implementation, annual third-party health and safety audits, health and safety training. The entire programme aims to increase awareness, build a safety culture, and make everyone responsible for safety.

We continue enhancing the safety culture through training and distribution of safety and health materials as well as employee hand book to all workers.

Occupational accidents have a significant human, social and economic cost, which we strive to eliminate by ensuring that our workplaces are safe. The incidence rate (number of accidents per 100,000 hours worked) for the year averaged 5.9.



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Work at Height

We are committed to ensure that, where it is reasonably practicable, working at height is avoided. Where it is not reasonably practicable to avoid working at height, the company has instituted suitable and sufficient control measures following the hierarchy of controls. These include:

- Eliminating the need to work at heights (e.g. by use of pole pickers);
- Providing passive fall prevention systems (e.g. ladders);

- Using work positioning systems such as harnesses for fall arrest;
- Providing appropriate Personal Protective Equipment (PPE) (e.g. gloves, footwear, safety harnesses, helmets, reflective jackets etc.);
- Instruction and training

Any person working at height is provided with sufficient information, instruction and training necessary to carry out the task, including the use of any specified work equipment. All persons working at height are *appropriately permitted*.





*SUPPORTING COMMUNITIES
AROUND US*

Covid-19: Corporate Social Responsibility in time of crisis

When the Covid-19 outbreak was confirmed in Kenya, Kakuzi responded by coming up with a number of measures to curb the spread and impact of the coronavirus disease in the company and community where we operate.

We donated products and equipment to fight the spread of the virus to health facilities through the county government. The company also purchased and installed hand washing stations in neighbouring towns, market centres and schools. The hand washing stations were replenished with water and soap by the company until they were handed over to the community.

The company also donated modern motorised mist blowers for up-close fumigation of areas in common spaces that boom sprayers could not access with ease. The company donated intensive care unit beds, patient monitors, syringe pumps, coveralls, surgeon caps, N95 respirators, safety goggles, and surgical masks to boost county government efforts and preparations to handle Covid-19 cases.

Food security

Many livelihoods have been affected by the pandemic that is still ravaging the economy. In collaboration with elected leaders, churches and local administration, the company has been enhancing food security through donating tons of maize flour, rice and beans.

Facemasks

When the government ordered the use of face masks in public spaces, we donated reusable face masks to motorcycle riders and school children within the surrounding community.

Quality Education

Kakuzi continues to work with education stakeholders towards attainment of Sustainable Development Goal (SDG) 4 that calls for quality education for all. We support education by providing funds to establish and improve physical infrastructure. When schools reopened, there was need for additional infrastructure to help implement Covid-19 protocols. Kakuzi responded by donating furniture to schools, installation of hand washing units, distribution of reusable facemasks and providing access to water and sanitation facilities.



Kakuzi mobilised to help communities in the wake of Covid-19. We donated products and equipment to health facilities through the county government. The company also purchased and installed hand washing stations in neighbouring towns, market centres and schools.



Sanitation facilities for Schools

Kakuzi is working with schools to improve access to sanitation. In 2020, Kakuzi built 34 latrines for neighbouring schools which will support sanitation and provide a more conducive learning environment.

Through our Tabasamu programme, Kakuzi continues to distribute sanitary towels to girls in neighboring schools. A total of 3,300 sanitary towels were donated to schools.

Actions aimed at supporting employees

The company has supported smart working for staff, offering training activities and access to staple foods. To this end, the company purchased dry food to be sold to employees at a subsidised cost in order to cushion them from shortage/ price hikes. More healthcare personnel were employed by the company. This intervention is in addition to continued social distancing and proper hygiene practices that we sensitised our employees to observe.



Rainwater Harvesting for Schools

We continue to install rain water harvesting systems in schools enabling storage of over 70,000 litres of rainwater. The project has benefited nearly over 2, 000 learners in the schools which are located in a water stressed region. The projects further sustain the schools feeding programme as well as providing water to facilitate hand washing in schools.



Capacity Enhancement

The company enhanced its capacity by employing one more nurse, four public health officers and five community health workers. Together with the medical team, we continue to carry out extensive health education, environmental inspection (workplaces and residential places) and screening of employees for Covid-19 symptoms.

Covid-19 education and information materials were printed and distributed to the employees. Thermo guns were procured for daily temperature checks including screening for symptoms which is being done by the community health workers and public health officers employed by the company. Each employee is being issued with a pair of reusable face masks quarterly. Additional hand washing facilities were put in place and replenished with soap and clean water daily.

Radio Learning programme

We ensure that all children of school going age are in school. This supports our strict code of not using child labour in our operations. Kakuzi maintains nursery schools and day care centers providing free education to employees' children, dependents and surrounding communities.

As the company responded to the Covid-19 crisis, the company bought radios to facilitate the government's (KICD) radio learning programmes in our villages. This was done with consideration of company and government guidelines to avoid Kakuzi being the centre of spread of the Covid-19 virus.

Smallholder Programmes and Extension Training

Engagement of smallholder avocado farmers continues to be an important strategic community empowerment programme for Kakuzi. Over the years, we have integrated smallholder communities into our business as a key strategic economic empowerment programme. The Avocado Smallholder Programme is a commitment to invest in a sustainable supply of quality avocados through improved agronomic practices, technical assistance, and improved market access. Under this programme, Kakuzi and the farmer(s) enter into a win-win relationship based on bottom-line commercial incentives. Kakuzi provides the marketing and quality assurance services, facilitation, and capacity-building of smallholder groups and individual farmers. By directly purchasing from the smallholder farmers, Kakuzi enables them to earn a steady income twice a year.

Kakuzi reaches the farmers through:

- Extension services via Field Extension Officers
- Kakuzi Avocado Training Open Day with practical training
- Roadshows

Our extension services are supported by information technology solutions that enable us to reach our famers. The farmers receive regular SMS and WhatsApp notifications in their local dialect on matters affecting them and on farming practices and market developments. This approach helped us navigate through the restrictions brought about by the Covid-19 pandemic. To date, 3,092 farmers are registered in the programme and a total of 46,954 quality Hass avocado seedlings were made available to the smallholder farmers. Out of the registered farmers, 1,340 of them are actively supplying fruit to our packhouse.



A Kakuzi extension officer engaging farmers.

Macadamia Smallholder Programme

The Macadamia Smallholder Programme was initiated to support farmers looking to diversify their crops. Through this programme, Kakuzi has this far supplied 2,146 quality macadamia seedlings to the farmers. Our managers continuously offer agronomic extension services and advice to the “lead farmers” in surrounding communities.

Beekeeping - Kakuzi Hills Self-Help Group

The beekeeping project is one of the economic activities initiated by Kakuzi to sustain the Kakuzi Hills community. A total of 40 beehives and 900 honey jars were donated to the group to beef up the initial 175 beehives that had earlier been supplied to the group.

The purpose of this programme is to support the Kakuzi Hills community with financing, technical support, and marketing of honey to establish a sustainable beekeeping project.

Through this project, community members have a better income that is progressively improving their lives and that of their families.

Stakeholder engagement

Our stakeholders play an important role in creating and maintaining our business value. It is in this regard that we meaningfully engage with stakeholders early and often, in order to create shared value. Our stakeholders include:

- Employees
- KPAWU
- Local Communities and their elected leaders
- Avocado Smallholder Growers
- Shareholders
- National Government
- County Government
- Civil Society
- Human Rights groups
- United Nations bodies
- Business associations

Areas of engagement include employee welfare, employee terms and conditions of work, economic empowerment of local communities, national and county government legislation.

All feedback received from the stakeholders, whether positive or negative, is addressed by relevant parties. The stakeholder engagement process is active and on-going.

Beekeeping changing livelihoods in semi-arid region

The Kakuzi PLC plantation straddles the counties of Murang'a and Machakos, cutting across the Thika-Makutano Highway.

The Machakos side is relatively dry and classified as semi-arid. It is an area that suffers depressed rainfall most of the year. The subsistence farming practiced by the local community is a difficult undertaking given the erratic rainfall patterns. In particularly bad years, the rains fail altogether and some in the community have to depend on relief food supplies.

To be food secure, residents prefer fast maturing crops and even these are hardly enough. Those who are unable to secure employment in the area or distant towns find themselves trapped in an endless cycle of poverty.

Mr Joseph Kitavi is no stranger to this peripheral existence since he was born and brought up in the area. The turning point for Mr Kitavi and dozens others was the inception of a community economic empowerment programme through a bee keeping project.

The project was introduced by Kakuzi PLC in 2009 as part of its Corporate Social Responsibility to the host community. The residents were first urged to come together as Kakuzi Hills Self-Help Group that is chaired by Mr Kitavi. After registration, members were encouraged start beekeeping as an alternative source of income.



"We started with 35 members. Our first priority was to individually raise money for bee hives. Since there were no artisans making them around here, we had to source them from far with Kakuzi PLC providing transport free of charge," he recalls. Kakuzi took upon itself to train the members on best methods of rearing bees. These included handling the bees safely, harvesting, sifting and packing the honey under hygienic conditions. Bees are migratory by nature. During dry seasons, they move away in search of flowers, their source of nectar. To mitigate against migration, members of the Kakuzi Hills Self-Help Group have been trained to provide the bees with water laced with sugar. This ensures that the bees remain in the area throughout the year.

Mr Kitavi's first harvest opened a new world for him. The harvest brought in KSh. 12,000. It was more money than he had ever made from a single sale from his farm.

"Once you secure a hive and meet the basic requirements to establish a successful bee colony, you can concentrate on other economic pursuits. Bees do not require much attention and time," he says.

As the self-help group continued attracting more members and increasing honey production, Kakuzi embarked on



providing free hives to members. This became necessary to ensure that interested members of the community were not left out of the project due to lack of money to buy hives.

To create a regular and reliable market, the company worked out a partnership where it markets the group's products through its various outlets. One such outlet is the Kakuzi PLC shop located at the main office on the Thika-Makutano Highway at Makuyu.

“Currently, we are earning Sh320 for every kilogramme of honey we deliver to Kakuzi PLC. Once all the honey is sold, we are paid for the entire consignment delivered to the company,” says Mr Kitavi.

The income from the honey project has seen members enjoy improved standards of living. The self-help group chairman says that many members who had been living in grass thatched houses have been able to upgrade to iron sheet roofed dwellings.

In seasons of food scarcity, members are able to provide for their families effortlessly. The result is improved nutrition and better health for the community.

“Now that we have a regular and reliable income, we are able to access credit from businesses such as grocery shops. Paying school fees for our children is no longer a struggle as it used to be,” he says.

The project has been a godsend for the elderly and retired members of the community because beekeeping is not labour intensive. The income from the project comes as a comfortable retirement package for this otherwise vulnerable demography.

Mr Kitavi says that initially, the project attracted more men than women. After witnessing the economic benefits for members, more women are signing up. The project is also attracting young people as well. Besides the financial benefits of the project, the large bee population in the area has been facilitating better pollination of crops. This translates to better yields and enhanced food security for the community.

In addition to the honey project, members are allowed to collect firewood from Kakuzi PLC land as well as access water and selected grazing areas. This is in line with the company's policy of giving back to the host community.

Smallholder program giving farmers access to global markets



Kakuzi has a large international market and wants smallholder farmers to access it.

The listed agricultural firm is upscaling the operations of its smallholder avocado farmers programme while boosting the global positioning of Kenyan avocados. The programme, which provides small-scale avocado growers with access to best practices and the international market for their fruits, has attracted farmers not only from Kakuzi's local community, but also from other neighbouring counties. The programme is part of Kakuzi's Corporate Social Responsibility (CSR). The programme ensures continued education for the community and farmers on the latest avocado production technologies, and best management practices. It helps farmers to access information, increasing their yields and in turn driving wealth creation.

"Our main aim is to enable local farmers access the international market and also be able to grow their fruits in a way that meets international standards," says Mr Laban Mwaura, the Extension Officer at Kakuzi Horticulture Department. The programme tackles the challenges facing smallholder farmers as it has integrated them into Kakuzi avocado business. The goal of the programme is to economically empower the farmers.

The agricultural firm directly engages and buys avocado from farmers. This move is deliberate as Kakuzi wants to invest in a sustainable supply of quality fruits instead of relying on brokers in which case traceability, which is a key ingredient to avocado export, is lost if one goes the broker route. Currently, Kakuzi has 3,500 smallholder farmers, over 10 active smallholder groups, and over

Smallholder program giving *farmers access to global markets*

seven active outgrowers. Majority of them come from the central region and a few others from eastern and north rift regions. Through the programme, farmers are encouraged to plant the Hass avocado variety due to its popularity and ability to attract good prices in the international market.

“The extension services are a broad range of activities. Normally, we have different categories of farmers. There are those farmers who already have matured trees, there are starters who want to purchase seedlings from our nurseries and they want to be guided through that process from planting, harvesting, post-harvest, and marketing,” says Mr Mwaura. Farmers have been benefiting from extension services offered by Kakuzi, translating to more production and more money in their pockets.

“Extension officers from Kakuzi train us on how to take care of our avocado trees from pruning to post-harvest handling,” says Ms Teresia Nyambura, a smallholder farmer from Gatanga, Murang’a.

Ms Nyambura, who ventured into avocado farming in 2008, had initially been dealing with brokers to sell her fruits, but when she joined a farmers’ group in 2014, her fortunes changed.

“The biggest challenge was price disparities, and brokers used to exploit us, buying a single fruit at KSh. 1 or less,” she says. Her avocado farming journey started with 10 trees which she inherited from her late parents. She now has 20 Hass variety trees, 10 of which are already producing fruits while the rest are still young.

The Hass variety has gained popularity as it has the longest season and has been demonstrated to yield fruit throughout most of the year. As a backyard tree, its season is probably from March to November but commercially from May to October.

Another farmer, Mr Francis Njoroge, says the programme has saved him from brokers. He has integrated 30 Hass variety trees with other crops in his 1.5 acre piece of land in Gatanga, Murang’a. “Before I joined the programme, I used to deal with brokers and they used to buy one avocado at KSh. 1, but since I joined Kakuzi’s smallholders program, a single fruit can fetch up to KSh. 15,” he says.

Mr Njoroge adds that through the programme, he has been able to tap into Kakuzi’s already established export market and is enjoying free extension services guaranteeing better crop husbandry and output.

The smallholder programme also provides quality avocado seedlings at subsidised prices to the farmers. The programme is a step towards attainment of Sustainable Development Goal No.1 of ending poverty in all its forms everywhere.



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