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## MD's Statement

For almost 100 years, Kakuzi PLC has not only been at the forefront of pushing the boundaries in agriculture, but more recently also setting the pace in entrenching sustainability in our operations. We have been pioneers in sustainability in Kenya and we are now reaping the fruits of our efforts. As a company, we believe that sustainability is not just a catchphrase, but a must-have for any company that expects to successfully navigate an uncertain future due to climate change.

Our operations, which involve the cultivation, processing and marketing of various products, certainly have an impact on the environment. However, what is critical for us is how we mitigate the adverse effects from our processes to ensure that the carbon footprint on the environment is as minimal as possible and ultimately, where possible, to drive our agricultural operations to have a positive impact on climate change.

We have been making positive steps in the right direction on this journey and our future strategies are centred around enhancing these.

This is a responsibility that we take very seriously and which keeps us on the edge of innovation in our various product lines.

For instance, we have implemented regenerative agricultural practices designed to have minimal impact on the environment and capture carbon from the atmosphere into our soils.

We practice a combination of fertilising our crops with organic and where required inorganic compounds. However, to ensure we use inorganic compounds as efficiently as we can, we have invested in fertigation technology. This is a process that applies the precise amount of fertiliser to the plant roots through a well-managed irrigation system. The amount we apply is carefully calculated after undertaking detailed annual soil and leaf analysis.

At the same time, we have instituted a rains management system – what we call stretching the rains – to ensure that the vast majority of our water requirements are obtained from rain which falls on our fields. The rains management system involves a catchment preservation programme that has seen us set aside a critical proportion of our land, an instance of sacrificing resources in the short-term, for the long-term good of the environment.

As I mentioned, we aspire to see agriculture having a positive impact on the environment through capturing carbon into the soil and using farming methods that effectively lead to reduced use of inorganic fertilisers. As part of this, we have also instituted commercial trials in a pest and crop disease management system that uses natural methods of control rather than use of chemicals, further reducing our carbon footprint.

We appreciate that no company can operate in isolation. Thus, at Kakuzi, we place emphasis on the community that has given us the licence to trade. We see the community as a critical pillar in our sustainability journey. As a result, we have embraced them in this journey and we are continuously looking for ways to enhance this relationship as we walk together.

As part of this journey, we support avocado out-growers in our neighbourhood and all over the country by giving them access to our packaging facility, our supply chain and export markets for their produce. This has benefitted the farmers, who previously had to deal with chains of middle men with very little income coming back to them. Today, we have many inspiring stories of farmers whose lifestyles have changed for the better after they started working with us in the processing, packing and marketing of their products.

To further improve their crop and meet the quality demands of the market, we have established an Avocado Academy with the aim of imparting avocado farming skills to the farmers to assure them of good farming practices that result in a good crop. The uptake has been good and we expect to see continuous improvement in the products that are being received at our export facilities.

In order to improve the livelihoods of those in the community, majority of our staff are employed from the neighbourhood either directly or indirectly, therefore impacting more than 3,000 employees directly and over 10,000 workers indirectly. A good number of these beneficiaries are youth and women.

Internally, we place a premium on the people who work for us. It might sound cliché, but without our employees, there would be no



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Kakuzi. That is the reason why we place emphasis on gender equity, their well-being – both physical and mental – to ensure they

work in a safe environment where they can thrive.

As part of our employees' support programmes, we have put in place measures to ensure their healthcare needs are taken care of; their children have access to education and that they have good housing as well as potable water.

To ensure that matters related to sexual harassment are tackled expeditiously, we have initiated a programme known by the acronym SHARP, designed to provide any aggrieved employees with an innovative reporting mechanism whenever such incidents occur. The management handles such matters expeditiously following all the channels that are available to us.

We have also instituted measures to ensure employees' human rights and those of the surrounding community are firmly rooted in our operational guidelines. At Kakuzi, we have a well laid out Operational Level Grievance Mechanism called SIKIKA, that ensures a timely, credible and legitimate way of dealing with any issues.

The sustainability initiatives I have mentioned have not gone unnoticed: Kakuzi has received several global accreditations, including the SEDEX Gold Award for our SHARP Programme and FSSC 22000 accreditation that recognises that throughout the journey of the avocado – from farm to supermarket shelves – quality is not compromised.

We have also received Rainforest Alliance and Global GAP accreditation for delivering food with minimal impact on the environment.

The success of our sustainability could not have been possible without the unwavering

support of the Kakuzi PLC Board members who have provided invaluable policy guidelines; the management and staff for their dedication and commitment to the company and to the community who have worked closely with us to ensure that ours is a mutually beneficial relationship and the governments – both National and County – who continue providing us with an optimal operating environment.



10,000

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