

KAKUZI EMISSIONS TRAJECTORY

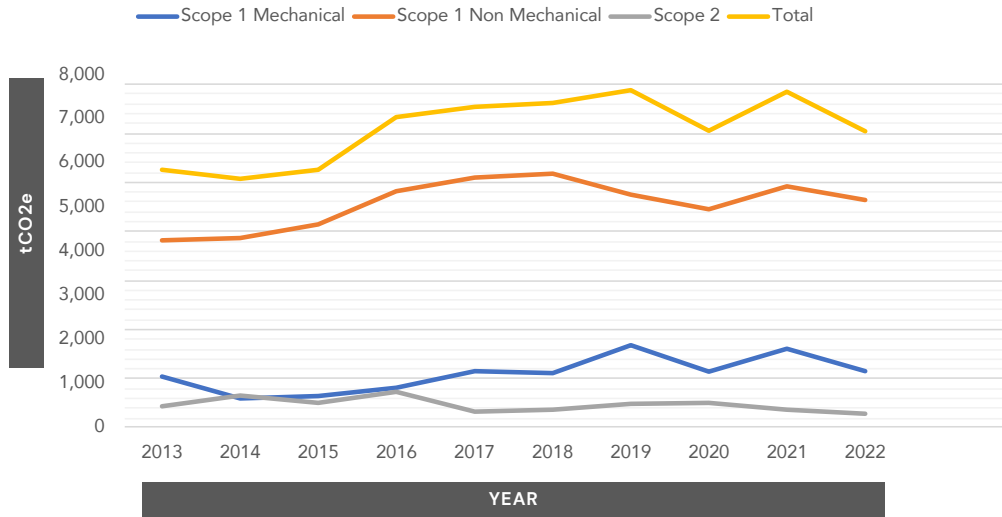


Fig 4: Totals as per scope 1 & 2

The trajectory of emissions in 2022 reduced due to the reduction in the heads of cattle by approximately 200 heads, a reduction of the emission factors from grid electricity by 43% (from 0.1076 to 0.0615) from 2021 to 2022 and a reduction in total emissions from diesel by 4% in the same period.

TOTAL EMISSIONS PER OPERATION

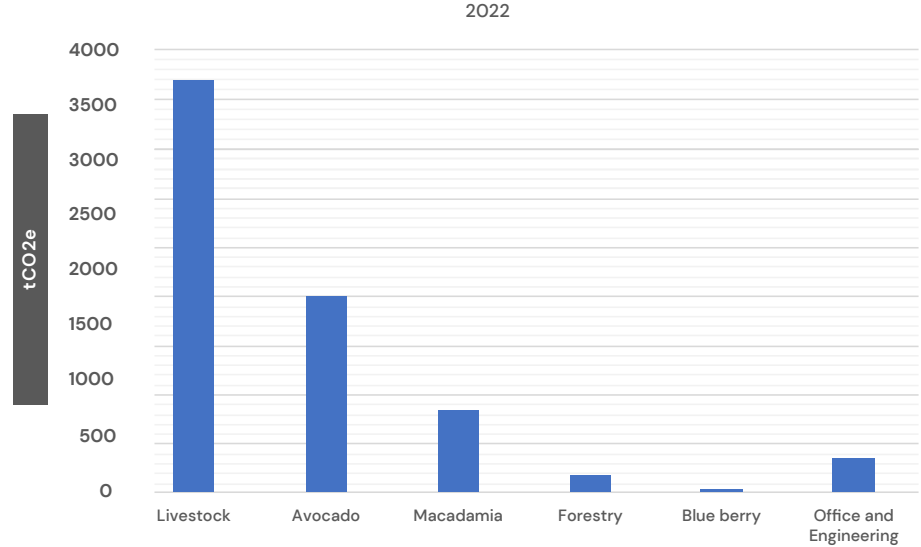


Fig 5: Total emissions per operation

Livestock numbers in 2021 were 4264 and in 2022 they were 4065. This is a significant reduction of approximately 200 heads and thus a respective emission reduction in 2022 of 654 tCO2e on livestock. Other operations that reduced their total emissions is the macadamia (both field and factory) on their diesel consumption achieving a combined reduction of 648 tCO2e.

A COMPARISON OF THE TOTAL EMISSIONS PER OPERATION

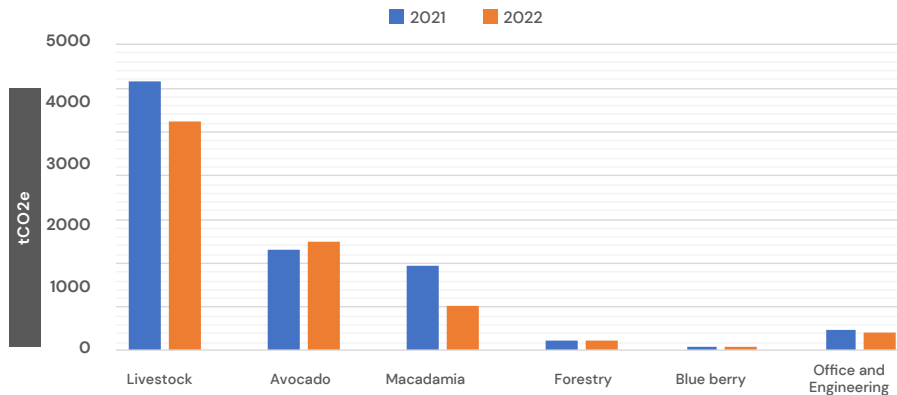


Fig: 6 A comparison of the total emissions per operation

Scope 3:
We are gathering data for upstream and downstream processes, which is being processed.



5 Supply Chain Management

We integrated sustainability into our supply chain management. As a company, we require our suppliers to comply with certain practices that we observe – ethical practices, sustainability pacts and integrity (anti-child labour and anti-bribery policies). We then follow up to establish that the practices are being implemented.

In our labour practices, such as payment of wages, we try to establish that suppliers follow ILO regulations regarding aspects like overtime, freedom of association regarding the ease of joining and leaving trade unions, and employee representation. We source our suppliers from the local community. We also promote local entrepreneurs by training them on the business requirements of the Kenya Revenue Authority (KRA) and the government, such as tax registration. In 2022, over Ksh30 million was directed towards local purchases and contracts. During the year, we also trained 12 women entrepreneurs in general supplies.

We introduced a program called Adopt a Farmer, where our managers from the Macadamia department adopt a set of farmers to educate and show proper husbandry to macadamia farmers.

Kakuzi's Commitment to Sustainable Supply Chain Management Partnerships



At Kakuzi, we are proud to share our ongoing efforts to strengthen our supply chain management while nurturing vital partnerships with community farmers. Sustainability is at the heart of everything we do at the Company, and we strongly emphasise ethical practices and integrity throughout our supply chain. This commitment extends to all our suppliers, both upstream and downstream. We firmly believe in aligning our values with those of our supply chain partners, which involves a comprehensive set of ethical guidelines.



One key initiative is ensuring that our suppliers adhere to these ethical guidelines. We initiate supplier relationships by requesting detailed information through questionnaires. Subsequently, we follow up to confirm that the practices outlined are being diligently upheld. Our standards encompass various aspects of labour practices, including fair wages, adherence to overtime regulations, freedom of association, and employee representation.

Additionally, we have taken steps to bolster local purchasing within our operational areas. We believe in empowering local entrepreneurs by providing them with the necessary training to meet government and business requirements, such as tax registration and VAT compliance. In addition to training, we offer contracts and outsource activities to these local suppliers, actively contributing to the growth of the local economy. Impressively, we invested KShs 30 million in local purchases and contracts in the previous year alone.



Stakeholder Engagement Matrix

Stakeholder	Why we communicate	How we engage	Outcome
Farmers & Suppliers 	<ul style="list-style-type: none"> To cascade and communicate on key Company alignment, including policies on various issues i.e., sustainability, procurement, ethics etc. To get feedback on the working environment and productive dialogue with suppliers. To constantly improve business processes so that pending bills are paid on time. To assist suppliers and incorporate environmental and social governance into operations to create a positive impact on the value chain. To get feedback on how to execute our engagement and processes better. 	<ul style="list-style-type: none"> Face-to-face meetings Organised conferences Surveys Correspondences (invoices, LPOs, Memos), topical forums (e.g., changes in tax) 	<ul style="list-style-type: none"> Service Level Agreements Memorandum of Understanding (MoUs)
Employees 	<ul style="list-style-type: none"> To create a conducive working environment, where each employee is valued and can express their full potential. To nurture collaboration among our teams. To inform employees of career opportunities available. To get feedback on the working environment and productive dialogue with employees and their representatives. To endeavour to make all Company policies available to employees for their reference whenever required. To mainstream human rights at the workplace. To agree on terms and conditions of employment. 	<ul style="list-style-type: none"> E-mail Face-to-face interactions Video conferencing Surveys Phone calls Messages Newsletters Internal platforms Management briefs Collective Bargaining Agreements 	<ul style="list-style-type: none"> Understanding of our employees' needs Development of talent management strategy Ethics and human rights case reports for investigation Establishment of the Company's learning strategy Establishment of safety workplace environment guidelines Development of a Diversity, Equity and Inclusion Policy Implementation of CBA

Stakeholder	Why we communicate	How we engage	Outcome
 <p>Investors</p>	<ul style="list-style-type: none"> • To endeavour to have an open and transparent conversation with our investors. • To communicate our overall financial and non-financial performance. • To provide context and insights into our corporate results, business strategies, and sustainability initiatives. • To attract new investors to support and achieve a stable and diversified investor base. 	<ul style="list-style-type: none"> • Newsletters • Investor briefings • Emails, reports, presentations and letters • Annual General Meetings (AGM) • Information notices • Senior management meetings and calls • Participation in conferences 	<ul style="list-style-type: none"> • Fair market valuation of Kakuzi shares at the NSE • Enhanced liquidity of Kakuzi shares at the NSE • Favourable rates from Private Equity investors • Enhanced rating scores
 <p>General Public</p>	<ul style="list-style-type: none"> • To be transparent and accessible. • To endeavour to comply with relevant laws and regulations. • To raise awareness about the contributions to society by Kakuzi PLC as a responsible corporate citizen. • To share our views, hopes and concerns on the financial sector's evolution and instil public confidence. • Endeavour to have all public-related publications available online for easy access as well as an email for any query that needs to be addressed. • Utilise various communication channels to share Kakuzi's PLC story, its products, and services as part of brand positioning. • To support the roll-out of social projects and disbursement of state aid to beneficiaries. 	<ul style="list-style-type: none"> • Media briefings • Information notices • Meetings • Social media handles • Email queries and website enquiries 	<ul style="list-style-type: none"> • Enhanced brand positioning • Good media coverage • Improved business goodwill • Awards and recognitions • Sedex Responsible Business Awards • Avocado Industry Excellence Awards • Best growers' category: Nursery and Seedlings Awards • 1st Runners Up: Avocado Person of the Year: MD Chris Flowers • 1st Runners Up: Large Scale Orchards • 1st Runners Up: Large Scale exporter