

KAKUZI

Growing Together



FROM MAKUYU TO THE WORLD
SUSTAINABLE AGRICULTURAL PRACTICES
QUALITY SUPERFOODS



2024
KAKUZI ESG
REPORT

About this report

In reference to the Global Reporting Initiative (GRI) and International Financial Reporting Standards (IFRS) S1 and S2, Kakuzi's 2024 ESG Report offers a methodical approach to strategy, governance, risk management, business impact and indicators in our sustainability disclosures. By incorporating best practices from the United Nations Sustainable Development Goals (SDGs), and the United Nations Global Compact (UNGC), this report demonstrates a dedication to transparent, data-driven, and internationally coordinated ESG reporting.

Kakuzi acknowledges the significance of the Corporate Sustainability Due Diligence Directive (CSDDD), which requires companies to evaluate the adverse human rights and environmental impacts of their actions in response to changing regulatory requirements. Additionally, the report complies with the most recent reporting standards for accountability, comparability, and transparency in line with the Corporate Sustainability Reporting Directive (CSRD).

With a strong foundation in sustainability, Kakuzi continues to expand into new markets, reinforcing its position as a leader in responsible agribusiness. This report showcases the firm's growth from Kenyan soil to global markets while integrating sustainable agricultural practices in business operations.

This report shows our dedication to sustainable value generation, ethical business practices, and ongoing Environmental, Social, and Governance (ESG) performance.



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About Kakuzi PLC

Dedicated to ethical, sustainable, and responsible agribusiness, Kakuzi PLC is a Kenyan agricultural firm listed on the Nairobi Securities Exchange (NSE) and the London Stock Exchange (LSE). Having been in business since 1927, we incorporate ESG principles into our operations to generate prosperity and long-term value for people and the environment.

Our areas of expertise include commercial forestry, tea, macadamia, avocados, blueberries, and cattle. To properly satisfy the demands of global food security, we prioritise sustainable land management, sustainable agriculture, and ethical supply chains. We are Kenya's largest producer of avocados, the largest single-estate macadamia grower, and the pioneer in commercial blueberry production in the community.

Our operations are spread across two locations: our tea estate in Nandi Hills, and our home office and main operations in Makuyu. Understanding the climatic vulnerabilities that the agriculture industry faces, we consistently invest in biodiversity conservation, climate-smart agriculture, and resource-efficient methods to increase resilience.

We are dedicated to social responsibility, moral business conduct, and continuous improvement. Our approach to sustainable agriculture reflects our goal of providing consumers in Kenya and across the world with responsibly grown, traceable, and high-quality products while preserving the environment for future generations.



Mission

To consistently produce quality products responsibly, sustainably and ethically.



Vision

To be a global leader, your preferred producer and supplier of quality agricultural products.



Core Business

We continuously strive to build a sustainable agricultural portfolio that mitigates the weather risks the sector has historically been subject to.



Our Values

Our organisational values guide and inspire our internal and external relationships with our customers, communities, and partners (see infographic).

**Moral:**

Understanding the difference between right and wrong actions.

**Nimble:**

Able to think, understand and act fast.

**Fair:**

Treating everyone equally without favouritism or discrimination.



Lively: Being full of life and energetic.

**Inclusive:**

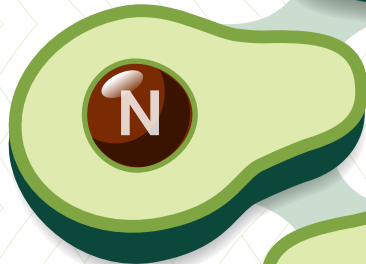
Embracing the diversity of our people, cultures and perspectives.

**Diligent:**

Putting steady, earnest, and energetic effort into everything we do.

**Utu:**

Treating others with compassion and humanity.



Kakuzi PLC at a glance



Stock Listings:

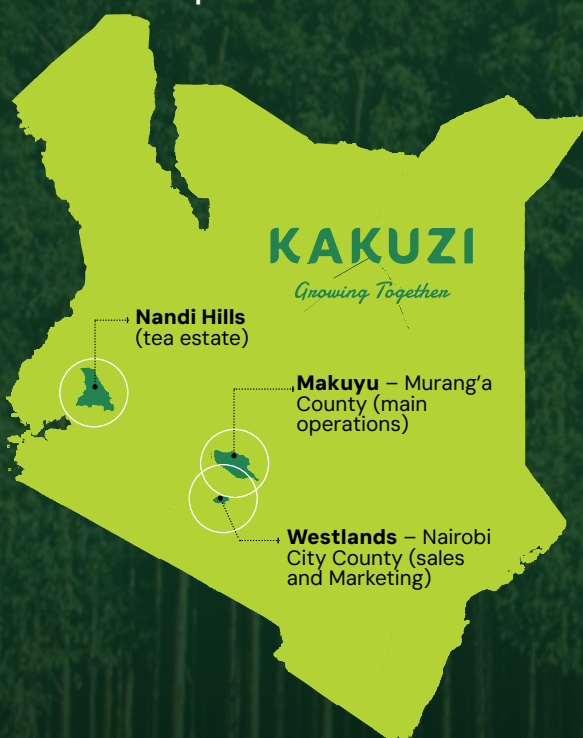


Nairobi Securities
Exchange



London Stock
Exchange

Operations locations



- **Governance Committees:** Audit & Risk, Nomination & Remuneration, Legal Risk, and Independent Human Rights Advisory Committees

- **Certifications:** FSSC 22000, Rainforest Alliance, GLOBALG.A.P.
- **Key Strategy:** "Growing Together" strategy launched in 2023 for sustainable agriculture and economic inclusion.

- **Fair Treatment and Good Working Conditions:** All employees, suppliers, and service providers are treated fairly and respectfully.

Sustainability Focus:

Biodiversity conservation, climate smart agriculture, regenerative farming practices

Key Strategy:

"Growing Together" strategy launched in 2023 for sustainable agriculture and economic inclusion.

Main Products



Avocados



Macadamia



Tea



Blueberries



Livestock



Honey



Forestry

Kakuzi PLC at a glance



4,290
Livestock



83
managers
3,743 general staff
271 subordinate staff



1,395
Listed on the NSE with
1,395 shareholders



Kshs. 66.9million
spent in payments to local
suppliers and contractors
per annum



3 GOOD HEALTH
AND WELL-BEING



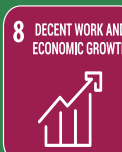
4 QUALITY
EDUCATION



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



8 DECENT WORK AND
ECONOMIC GROWTH



13 CLIMATE
ACTION

6
adopted
United Nations
Sustainable
Development
Goals (SDGs)



963 ha
under avocado
production



510 ha
under tea production



10 ha
blueberry production



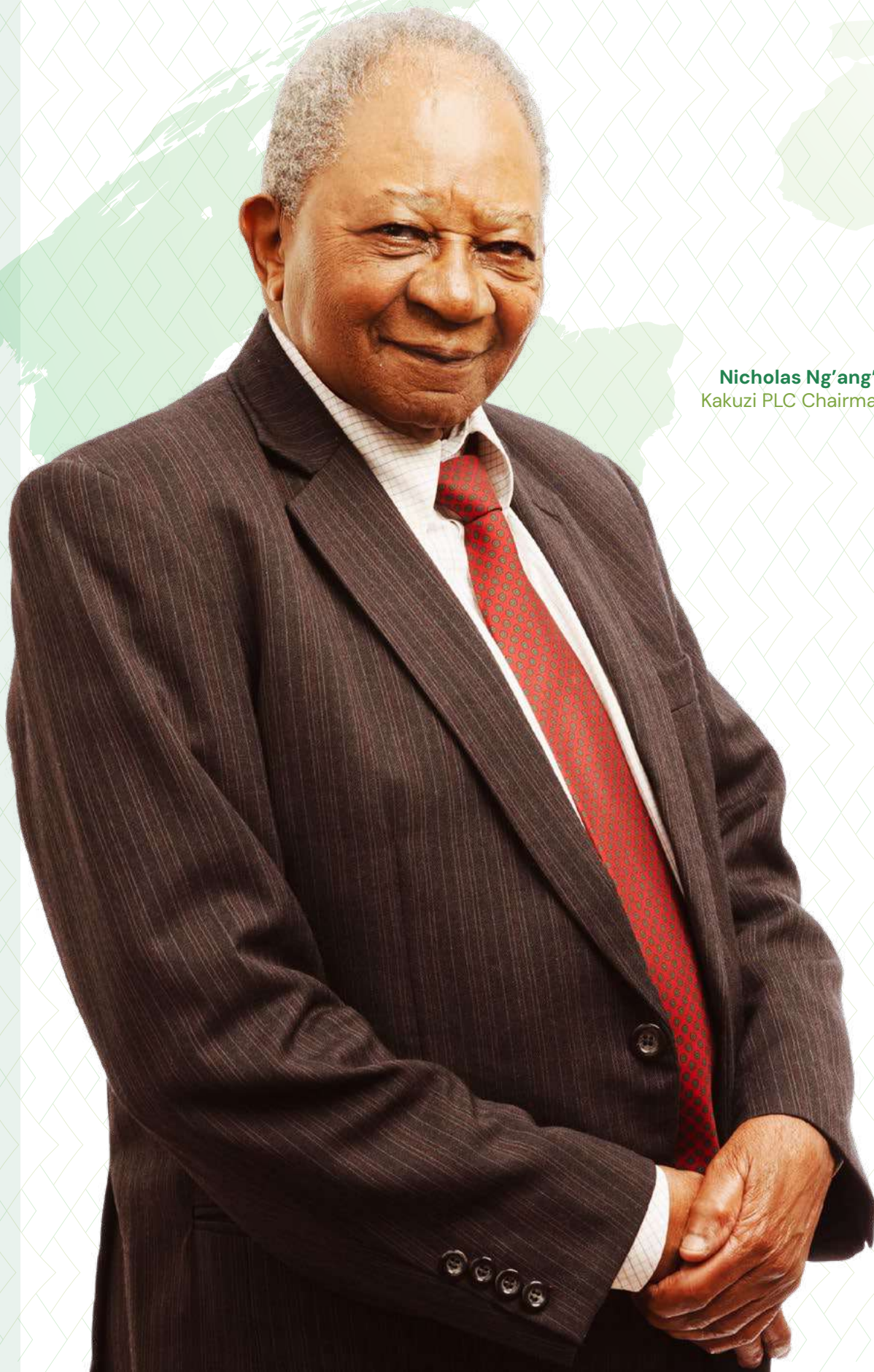
1,656 ha
of sustainable
commercial forestry



3,263
Bee hives in the
Kakuzi Ecosystem



1,404 ha
macadamia production



Nicholas Ng'ang'a
Kakuzi PLC Chairman

Message from the Chairman

Dear stakeholders, it is my privilege to present to you the 2024 Kakuzi Environmental, Social, and Governance (ESG) Report, which showcases our continued efforts in our sustainability journey.

The year, 2024 saw the agricultural sector contribute to a 4.6% growth in Kenya's overall GDP. The Board and management are proud to be a key contributor in this important sector as we drive the Company forward to be one of the leading agribusinesses in Kenya. Over the last year we have experienced growth in our operations, which can be attributed to the sustainable agricultural practices we have adopted, as well as our expanded product portfolio and market diversification.

In 2023, the Board enacted its new strategy, Growing Together, which focuses on expanding and diversifying our products, increasing our staff capacity, greater partnerships within the communities we operate in and the expansion of our markets across the Country and beyond.

With sustainable agriculture practices being at the heart of this journey, our goal has been to grow crops whilst protecting our environmental resources, serve all our stakeholders, and meet customer demands by delivering quality products grown in the heart of Kenyan soils.

The impacts of climate change are already being felt, especially in the agricultural sector, where we witnessed adverse weather conditions such as floods and intense drought. The Board, therefore, developed a mitigation and adaptation process that focused on managing excessively wet and dry conditions. In response to floods, we



4.6%

Agricultural sector's contribution to Kenya's overall GDP growth

KAKUZI
Growing Together

*Grown With Purpose,
Shared With Pride*

What we farm and raise meets local and global export standards, offering the best of Kenya in every harvest.

Shop at www.kakuzi.co.ke | Retail Shop: 0748555777

made land management improvements, including digging drainage trenches and soil bridging to direct excessive rainwater away from root zones, preventing crop damage. We also increased our irrigation water holding capacity by a further 1 million cubic meters of water. We now have strategic water resources totalling 13 million cubic meters, or the equivalent of 5,300 Olympic size swimming pools.

Notwithstanding these challenges, the business fundamentals remain positive, as our focus is on improving our agricultural returns from existing crops. We continue to explore additional income streams, market and product diversification both in agriculture and through other investments.

Building on these efforts, there were a number of key successes in 2024. The macadamia market recovered from the low returns of the previous year while our investments in our orchards insulated us from turmoil in the smallholder sector. This gave us a market advantage and certainty about future sales volumes as we eye sales prices taking shape in 2025.



We are also targeting further global market access, including the United States, one of the largest avocado markets worldwide.

We also witnessed the gradual rise in macadamia oil sales in the Kenyan market which is testimony to the value our customers place on traceable and healthy products. We continue to expand our market operations, with a specific focus on our Macadamia products to the United States (US), Europe, China, Japan, and the Middle East, as part of our efforts to diversify our market.

We are also targeting further global market access, including the United States, one of the largest avocado markets worldwide. The export conditions for the avocado market are improving, with shipping lines adapting to the new normal, thereby reducing transit times. Technological advances are evident, and some shipping lines are resuming operations through the Suez Canal.

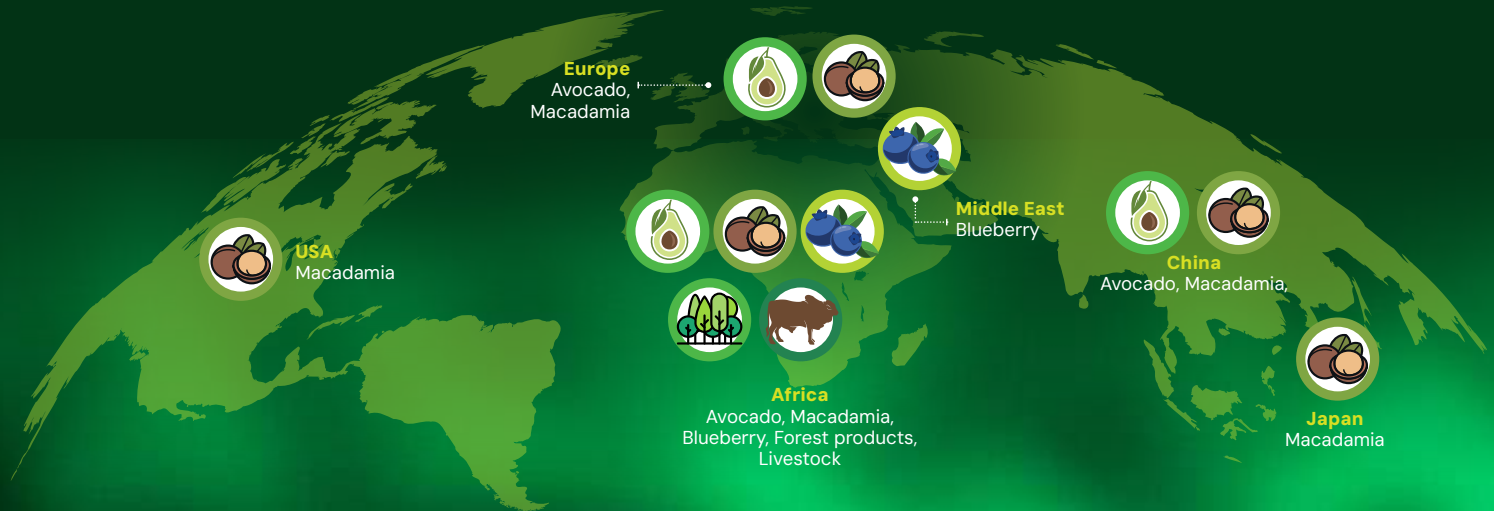


Additionally, we continue to strengthen our governance mechanisms by consistently interacting with our regulators to foster a positive relationship and meet current regulatory expectations. We therefore reaffirm our commitment to upholding the interests of all our stakeholders through continuous innovation, in a progressive and prudent manner, to maintain and create shareholder value.



Nicholas Ng'ang'a
Chairman at Kakuzi PLC

Our product and market diversity



Chris Flowers
Kakuzi PLC
Managing Director

Message from Managing Director

At Kakuzi PLC, our commitment to responsible agribusiness is anchored in the principles of environmental stewardship, social responsibility, and ethical governance.

This 2024 ESG Report reflects our progress under the “Growing Together” Strategy, showcasing the tangible impact of our initiatives across the business and within the communities we operate.

Over the past year, we have deepened our integration of human rights into daily operations, guided by a strong sense of custodianship and a belief that ethical leadership begins with how we treat people. Our environmental efforts have focused on reforestation sensitive catchments, managing our carbon footprint, and expanding water conservation infrastructure—adding over one million cubic meters of storage to support climate-smart agriculture and long-term resilience.

We have continued to invest in our communities through educational support, health outreach, and inclusive engagement forums. These efforts are not peripheral to our business—they are central to how we grow together. By creating jobs, supporting local enterprises, and listening actively to our stakeholders, we strive to create structure that remain transparent, are responsive, and grounded in shared values.

Throughout, we have upheld our commitment to producing responsibly grown superfoods that meet the highest global standards for quality, traceability, and sustainability. This report is both a reflection of our journey and a reaffirmation of our values. It underscores our belief that long-term success is built on trust, integrity, and a genuine partnership with the land and people who sustain us.



Chris Flowers

Managing Director at Kakuzi PLC



Farm



Input



Production



Processing & Distribution



Marketing



Consumer

Fork

Through "*Growing Together*", Kakuzi strengthened its position as a leader in sustainable agribusiness while promoting environmental responsibility and economic prosperity.



The Kakuzi Strategy

Kakuzi introduced the *Growing Together* strategy in 2023 to encourage economic inclusion and sustainable agriculture development. This strategy aims to benefit the business and nearby communities through collaborations, technical assistance, and prudent resource management. It aligns with the UN SDGs and is connected to Kenya's Agricultural Sector Transformation and Growth Strategy.

Through *Growing Together*, Kakuzi strengthened its position as a leader in sustainable agribusiness while promoting environmental responsibility and inclusive prosperity.

In 2024, we implemented the strategy with special emphasis on market diversification, operational efficiency, and building resilience for the future. Despite global supply chain challenges, climate change pressures, and political uncertainty, we sustained our efforts in advancing sustainability practices across our operations. From macadamia, avocado, and blueberry orchards to forestry and livestock, our aim is to ensure that every investment translates into shared value for all our stakeholders.

We continued with our expansion programs in line with our strategic plan, completing the final planting of macadamia orchards, which now cover 1,410 hectares. Additional expansions of our avocado orchards will occur in 2025, bringing our total area to 1,117 ha. Our new blueberry varieties also met expectations for the year, with production reaching 53 tonnes, up from 12 tonnes in 2024.

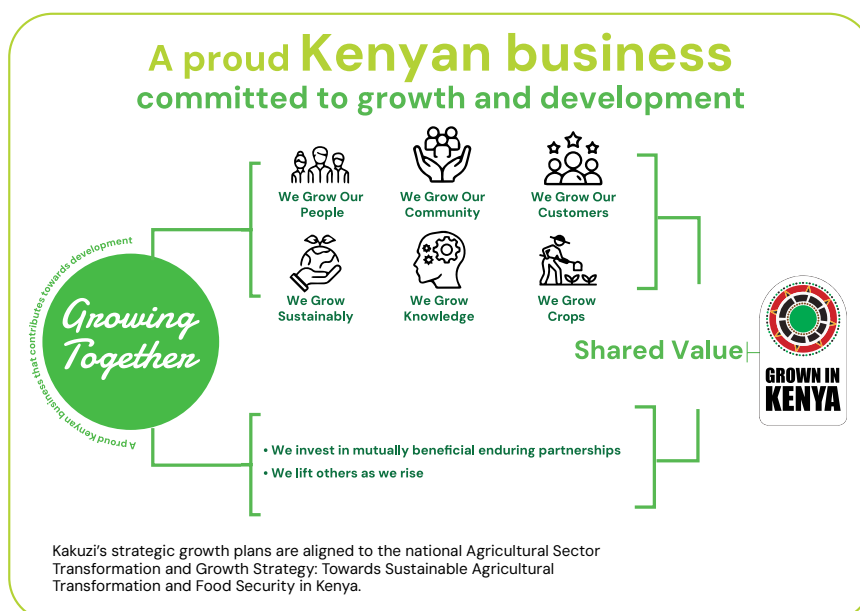
Moreover, our value addition strategy is progressing well. The Boran Barn restaurant has become a popular venue. Demand for our meat products, with proper 'field to fork' credentials, and our macadamia edible oil range has increased significantly, leading to a constant flow of customers through our farm market.

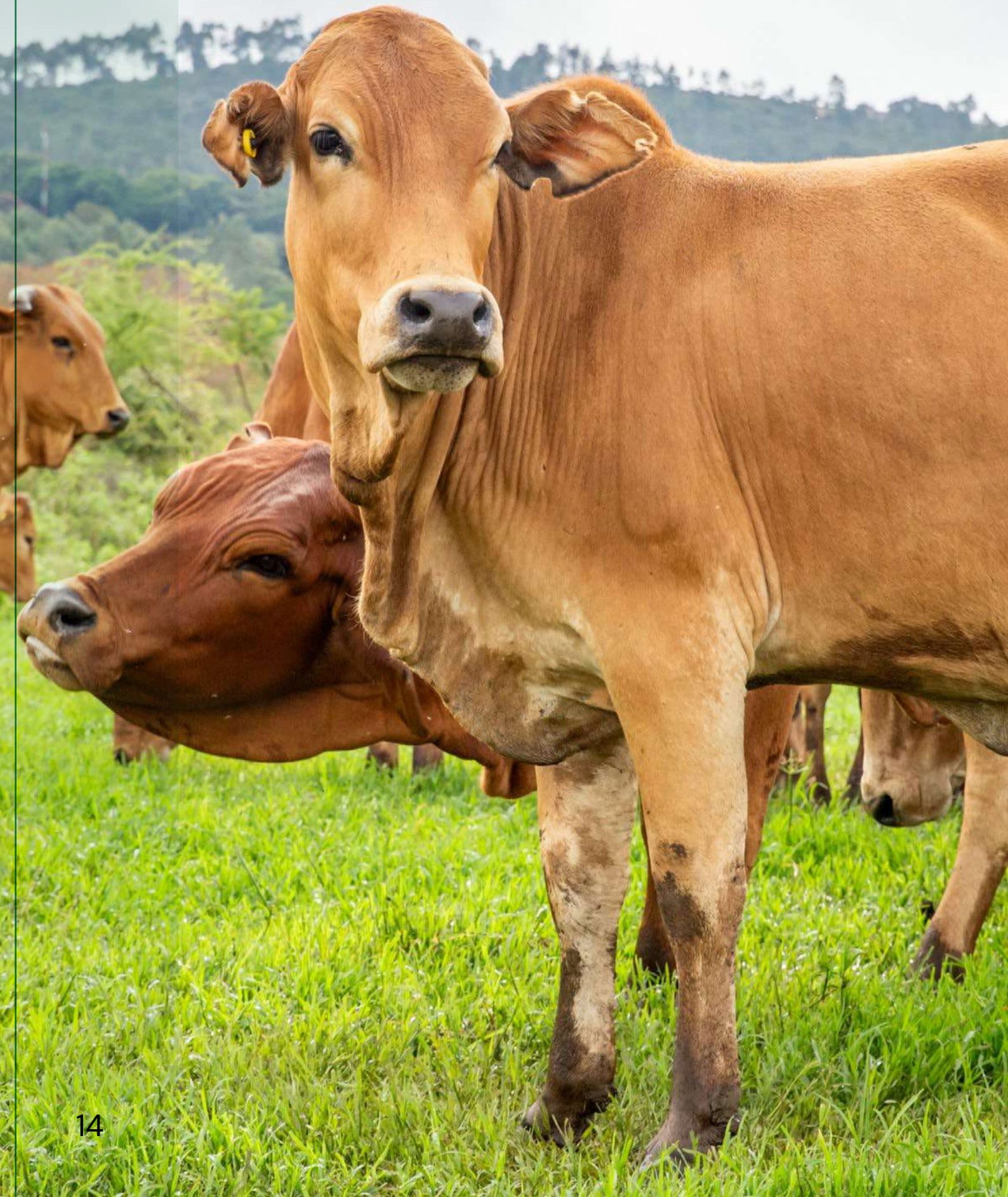
Growing Together in Practice

The *Growing Together* strategy is more than a vision, it is how we live out sustainability every day. It guides how we engage our people, care for the land, support our communities, and deliver responsibly grown products to the world.

- **We Grow Our People** – by investing in staff capacity, skills, and well-being to create a safe and empowering workplace.
- **We Grow Our Community** – through education, health, and livelihood programmes that uplift families and local businesses.
- **We Grow Our Customers** – by producing quality, responsibly grown products that meet global sustainability standards.
- **We Grow Knowledge** – by adopting innovation, research, and technology that strengthen resilience in agriculture.
- **We Grow Crops** – by practicing climate-smart agriculture that balances productivity with care for soil, water, and biodiversity.
- **We Grow Sustainably** – by embedding ESG principles into every decision, ensuring that environmental and social considerations guide our growth.

Together, these pillars reflect how Kakuzi creates lasting value: fostering partnerships, protecting ecosystems, and lifting others as we rise.





2024 Key ESG Highlights

ESG Pillar	Key Highlights
 Environmental	19 water storage dams constructed to support sustainable irrigation
	100% of wastewater treated and reused
	95% of farm waste recycled
	Close to 1,000 hectares under certified avocado production
	Over 300 hectares of indigenous forest preserved
	1,656 ha under sustainable commercial forestry
	100% compliance with National Environment Management Authority (NEMA) and international environmental regulations
 Social	More than 3,000 direct employees supported with decent work programmes
	More than 5,000 people reached through community development programmes
	Over KShs 50 million invested in community projects
	Six SDGs integrated into the company's operations
 Governance	Listed on the Nairobi Securities Exchange with 1,300+ shareholders
	Full compliance with UN Global Compact Principles
	Annual ESG risk assessments implemented

Product Diversity and Value Addition

To increase product value addition and grow responsibly, Kakuzi uses cutting-edge processing methods that optimise quality, sustainability, and competitiveness in the market.

We strive to satisfy international standards by making calculated investments in cutting-edge agro processing, providing customers with high-quality, traceable, and ethically sourced commodities.

Through value chain diversification, we boost local communities' prospects, stimulate economic growth, and reaffirm our dedication to ethical agribusiness. This includes producing macadamia-based goods, ready-to-eat avocados, tea, a diversified livestock portfolio, blueberries, honey production and sustainable forestry solutions. Our value addition strengthens Kakuzi's position as a pioneer in responsible and effective agriculture production while supporting our larger sustainability objectives.

Portfolio of products value added

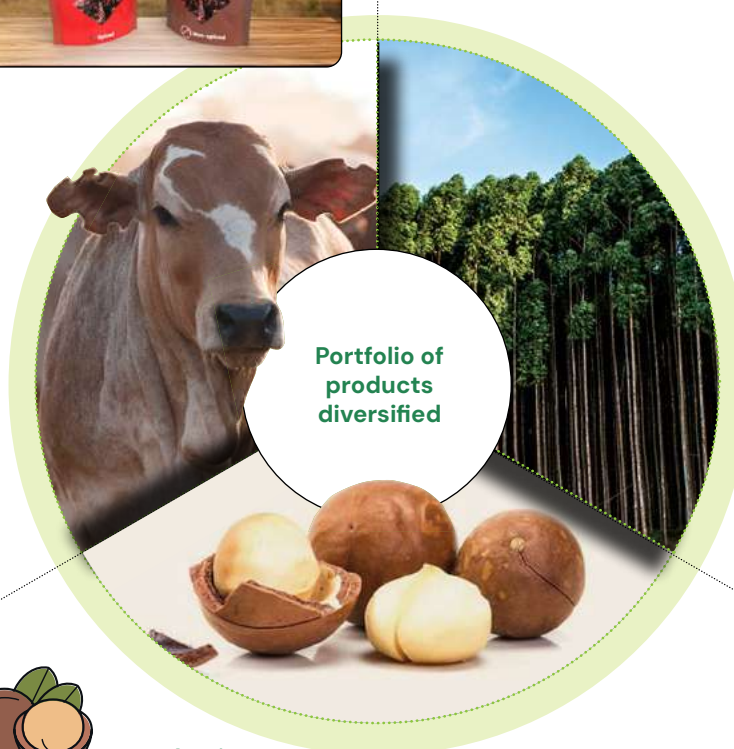
Livestock

Cattle; Goat; Sheep; Beef;
Biltong (spiced and non-spiced)



Forestry

Treated & untreated
timber; Wooden pallets;
Treated fencing poles;
Electricity poles



Portfolio of
products
diversified



Macadamia



Macadamia oil; Macadamia nuts (Dry Roasted Unsalted, Dry Roasted
Honey Coated, Dry Roasted Salted) Macadamia Chips Cereal Mix;
Macadamia Grounded Flour



The Boran Barn at Kakuzy Farm Market
serves up irresistible nyama choma,
crafted from our grass-fed Boran beef.



Progress on the SDGs

SDG	Key Performance Indicator (KPI)	2023 Achievement	2024 Achievement
3 GOOD HEALTH AND WELL-BEING 	Number of free medical camps held	3	5
	Number of individuals reached via free medical camp	727	Over 1,600
	Total investment in community welfare	Kshs. 24.5 million	Kshs. 25.5 million
4 QUALITY EDUCATION 	Total investment towards education	Kshs. 16.5 million	Kshs. 8.1 million
	Classroom furniture donated	395 desks, lockers, tables, and chairs to 18 schools	398 desks, lockers, tables, and chairs to 22 schools
	Students benefiting from education programmes	600+ learners mentored, 15 scholarship beneficiaries	600+ learners mentored, 7 in high school, 5 in vocational training
5 GENDER EQUALITY 	Number of sanitary towels distributed	2,000+ sanitary towels distributed	2,200+ learners, 3,000 employees sensitised, 2,600+ sanitary towels distributed
6 CLEAN WATER AND SANITATION 	Rainwater harvested and stored	13 million m ³ across 19 dams	12 million m ³ across 19 dams
	Schools with rainwater harvesting facilities	4 institutions	4 institutions
8 DECENT WORK AND ECONOMIC GROWTH 	Jiko Kisasa	Fitted over 1,000 households with double-energy-saving stoves	Completed 4 th phase of Jiko Kisasa project, benefiting 1,500 households
	Jiko Kisasa training	101 local youths trained on construction and maintenance	100 local youths trained on construction and maintenance
	Support for local suppliers	Kshs. 51 million in payments to local suppliers and contractors.	Kshs. 66.9 million spent on local suppliers
13 CLIMATE ACTION 	Tree donation	300+ donated to communities	600+ donated to communities

Our value creation model



Our value creation model

Output	Outcome	
Reduced Environmental Footprint – Efficient water use, waste management, recycling	100% recycling/repurposing of macadamia husks 13 million m³ of rainwater captured and stored in 19 water dams 300 hectares of indigenous trees planted 12% of total land under forest cover	
Certification and Compliance	Accreditations - Rainforest Alliance - GLOBALG.A.P. - SMETA Certified	- SSC 22000 - Halal - Diamond Mark of Quality - Kosher
Community empowerment	- Kshs. 66.9 million paid to local suppliers and contractors 398 desks, lockers, tables, and chairs to 22 schools 2,600 sanitary towels provided - Medical camps served over 1600 individuals	100 local youths trained on construction and maintenance of jiko kisasa - Completed 4th phase of Jiko Kisasa project, benefiting 1,500 households
People – Skills development, career progression, diversity management	Workforce of 3,743 employees in 2024. 64% male and 36% female.	Over 5,000 training programmes on health & safety, human rights, fire safety, food hygiene, and supervisory management.
Product safety – post-harvest, handling and accreditations	Accreditations - SSC 22000 - GLOBALG.A.P.	- Halal Certification - Diamond Mark of Quality
Robust Governance Structure and Investor confidence – Return on investments, shareholder value	- Implemented succession planning and diversity policy 245 operational grievances mechanism (OGM) cases being processed last year, 239 were resolved. - Kakuzi paid KShs. 51 million in income taxes.	
Risk Mitigation & Compliance	Dedicated Board Committees (Audit & Risk, Legal Risk, Nomination & Remuneration, and Human Rights Advisory) provide independent oversight, reinforcing transparency and accountability. Stakeholder Engagement: The SIKIKA platform provides employees and communities with a clear channel for concerns and redress, while the Operational Grievance Mechanism resolved 239 of 245 cases last year.	Standards & Compliance: Kakuzi holds global certifications (FSSC 22000, Rainforest Alliance, GLOBALG.A.P.) and undergoes regular audits to uphold international standards. Ethics & Training: Regular staff training strengthens ethical decision-making, anti-corruption practices, and governance awareness.



Our governance framework is designed to promote sustainable growth while safeguarding the interests of all stakeholders, including shareholders, employees, customers, and the communities in which we operate

Corporate governance and integrity

At Kakuzi, corporate governance and integrity form the foundation of our business operations, striving to uphold the highest standards of transparency, accountability, and ethical leadership. Our governance framework is designed to promote sustainable growth while safeguarding the interests of all stakeholders, including shareholders, employees, customers, and the communities in which we operate. By integrating Environmental, Social, and Governance (ESG) principles into our corporate strategy, we remain committed to responsible business practices, regulatory compliance, and long-term value creation.

We continuously enhance our governance structures to align with global best practices, so that decision-making processes are guided by ethical principles, robust risk management frameworks, and a strong culture of accountability. Through our Board of Directors and specialized committees, we drive governance excellence, with sustainability and integrity remaining at the core of our operations.

The Board and Its Role

Kakuzi's Board of Directors plays a critical role in overseeing corporate governance and promoting sustainable business practices. Its primary responsibilities include setting the company's strategic direction, fostering long-term growth, and maintaining compliance with corporate ethics and regulatory frameworks.

To integrate ESG considerations into decision-making, the Board establishes sustainability policies, monitors progress through key performance indicators (KPIs), and engages with stakeholders to enhance accountability. Additionally, the Board upholds transparency and ethical leadership by implementing governance best practices, such as independent audits, regular performance evaluations, and adherence to global sustainability standards.



Board committees

Kakuzi operates through specialised Board committees that drive governance effectiveness:

Audit & Risk Committee

This committee is critical in financial oversight, transparency, regulatory compliance, and proactive risk management. Key functions include:

- Overseeing internal audits to assess financial integrity and operational controls.
- Overseeing compliance with **International Financial Reporting Standards (IFRS)** and local regulatory requirements.
- Monitoring enterprise risk management frameworks to identify, assess, and mitigate financial, operational, and reputational risks.
- Reviewing fraud prevention policies, verifying the company's whistle-blowing mechanisms are effective and impartial.

Nomination & Remuneration Committee

This committee is responsible for Board effectiveness by overseeing leadership succession planning and fostering equitable hiring practices. Key responsibilities include:

- Evaluating the skills, experience, and diversity of Board members to maintain effective governance.
- Implementing fair and transparent recruitment

policies to foster a diverse and inclusive workplace.

- Advising on leadership development initiatives that enhance governance capacity within the organisation.

Independent Human Rights Advisory Committee

This committee is dedicated to upholding human rights and ethical business practices in line with international standards. Key areas of focus include:

- Providing strategic guidance on ethical and social responsibility matters.
- Overseeing the implementation of Kakuzi's Human Rights Policy and alignment with frameworks such as the UN Guiding Principles on Business and Human Rights.
- Monitoring grievance mechanisms, including SIKIKA reports are submitted to the IHRA.
- Engaging with communities, regulators, and human rights organisations to strengthen Kakuzi's corporate social responsibility initiatives.

Legal Risk Committee

The Board regularly reviews committee recommendations and follows up on implementation through structured reporting mechanisms, helping to promote accountability across the organisation. The committees provide quarterly reports to the Board to support effective oversight.



The Legal Risk Committee supports the Board by providing oversight and guidance on legal and regulatory risks affecting the Group. Its key functions include:

- Reviewing the nature and status of any legal claims or proceedings in consultation with Management and reporting to the Board accordingly.
- Evaluating material breaches of internal policies that may expose the Group to legal risk and advising on the adequacy of remedial measures.
- Advising the Board on future legal risk mitigation strategies.
- Reviewing the Group's legal audit, including findings, instances of non-compliance, and management's proposed action plans.

Key Deliberations in FY2024

During the reporting year, the Legal Risk Committee undertook the following:

- Oversight of the Group's dispute resolution mechanisms, including updates on legal proceedings and associated claims.
- Review and analysis of the Legal Risk Register and all active legal cases to assess exposure and support timely resolution.
- Evaluation of the **Legal Compliance Audit**

Report prepared by independent legal compliance auditors, including discussions on gaps, regulatory requirements, and corrective action plans.

Board Diversity

Kakuzi prioritises Board diversity and promoted balanced representation across gender, skills, and experience. The Company maintains an inclusive appointment process based on merit, governance best practices, and strategic business needs. As of 2024, the Board comprises executive, non-executive, and independent directors, focusing on expanding women's participation and leadership at all levels of the organisation.

Organisational Structure

The governance framework supports a structured leadership and accountability. Below is an illustration of Kakuzi's governance structure.

Maintaining strong governance structures that integrate ESG principles reinforces commitment to responsible corporate stewardship for long-term value creation for all stakeholders.

Policies & Integrity Practices of The Company

Kakuzi upholds strong integrity policies that guide ethical business operations, including anti-bribery measures, whistle blowing protections, and



governance compliance frameworks. The Company's governance structure aligns with local and international regulations, ensuring financial and operational integrity. Key integrity mechanisms include:

Mechanism	Purpose
Code of Conduct and Ethics	Serves as the foundation of ethical business practices, setting clear expectations for employees, contractors, and stakeholders. The Code emphasises integrity, transparency, and accountability in all business dealings.
Procurement Policy	Establishes rigorous standards for supplier selection, contract awarding, and sourcing processes to warrant fairness, transparency, and value for money while promoting ethical procurement practices.
Insider Trading Policy	Implements strict guidelines to prevent the misuse of confidential, non-public information related to securities trading, guaranteeing compliance with financial regulations and market integrity.
Related Party Transactions Policy	Safeguards against conflicts of interest by ensuring that all transactions between related parties are transparently reviewed, properly approved, and fully disclosed to stakeholders.
Whistleblowing Policy	Encourages a culture of accountability by providing employees and stakeholders with a confidential and secure channel to report unethical behaviour, misconduct, or policy violations without fear of retaliation.
Data Protection & Privacy Policy	Personal and corporate data are handled with the utmost care, aligning with national and international data protection laws to safeguard stakeholder privacy and confidentiality.
Human Rights Policy	Outlines Kakuzi's commitment to upholding fundamental human rights across its operations, adhering to fair labour practices, non-discrimination, and access to grievance mechanisms.

Compliance and Transparency

Kakuzi upholds transparency and regulatory compliance through the following measures:

- Dedicated Governance Committees**
 The Board committees (Audit & Risk, Legal Risk, Nomination & Remuneration, and Independent Human Rights Advisory) provide independent oversight, helping to foster accountability in decision making.
- Stakeholder Engagement & Grievance Mechanisms**
 The SIKIKA platform is a transparent grievance mechanism, allowing employees and community members to voice concerns and seek redress.
- International Certifications & Audits**
 Kakuzi adheres to globally recognised certifications, including FSSC 22000, Rainforest Alliance, and GLOBALG.A.P., conducting regular compliance audits to meet stringent international standards.
- Ethical Business Training & Awareness**
 Continuous training programmes are provided

to employees and management to reinforce ethical decision-making, anti-corruption measures, and best governance practices.

Fraud Prevention and Whistleblowing

Kakuzi has instituted rigorous fraud prevention measures, including independent audits and whistleblowing channels. The Whistleblowing Policy provides a confidential platform for reporting unethical behaviour, financial misconduct, or policy violations, including independent audits and whistleblowing channels. The Whistleblowing Policy provides a confidential platform for reporting unethical behaviour, financial misconduct, or policy violations. The policy protects whistleblowers from retaliation, and all reported cases undergo thorough, impartial investigations.

Kakuzi materiality

Materiality represents the key sustainability issues that impact Kakuzi's long-term success and stakeholder interests. We have been able to identify and prioritise key material topics aligned with the GRI and IFRS S1 and S2 frameworks. These topics guide our governance, strategy, and risk management approach, for sustaining resilience and responsible business practices. Our commitment to sustainability is embedded in our operations, with structured governance mechanisms, strategic initiatives, and measurable performance indicators driving accountability and progress.

Materiality Assessment Process

The following three steps guided our materiality assessment process:

Step 1: Identification of Potentially Relevant Topics

Important environmental, social, and economic topics for Kakuzi and our stakeholders were identified using the following sources:

External Sources

- Stakeholder engagement and consultation
- Dialogue with growers, local communities, business partners, industry associations, regulators, investors, and the media
- Topics identified by sustainability leaders and peers
- Relevant sustainability standards, guidelines, reports, and industry best practices

Internal Sources

- Company business model, strategies, and policies
- Financial and non-financial disclosures
- Enterprise risk management reports
- Previous materiality assessments

Step 2: Prioritisation of Topics Important to Kakuzi and Our Stakeholders

The identified topics were assessed to determine their significance for the Company and its stakeholders. The following criteria were used:

- **Importance to Kakuzi:** Matters that presented the greatest risks and opportunities for Kakuzi's ability to create long-term value and achieve strategic goals.
- **Importance to Stakeholders:** Concerns and expectations frequently raised by stakeholders about Kakuzi, its industry, and agriculture and food systems.

Step 3: Classification of Topics as Material

From the list of potentially relevant topics, those with the highest impact on business continuity and stakeholder expectations were classified as material. These key material topics shaped Kakuzi's ESG strategy, risk management, and reporting frameworks.

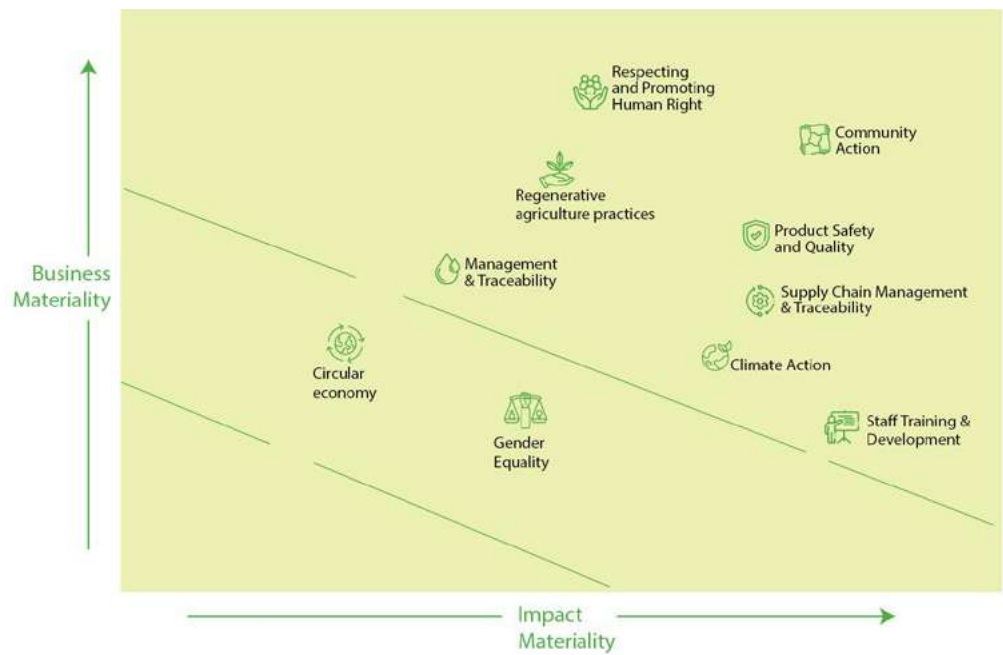
Key Material Topics and Their Importance to Kakuzi

Material Topic	Focus
Respecting and Promoting Human Rights	Upholding ethical business conduct by promoting fair labour practices, employee training, and grievance mechanisms.
Product Safety and Quality	Maintaining consumer trust through rigorous quality control, supplier verification, and compliance with food safety standards.
Employee Welfare	Enhancing workplace safety, fair wages, and professional development programmes to improve employee satisfaction and productivity.
Community Impact	Investing in education, infrastructure, and healthcare while fostering positive relationships with local communities.
Sustainable Supply Chain	Maintaining ethical sourcing, supplier accountability, and operational resilience through ESG assessments and compliance audits.
Environment and Climate	Mitigating climate risks by reducing carbon emissions, optimising water use, and promoting reforestation initiatives.

The Materiality Matrix

Through continuous engagement with internal and external stakeholders, including employees, customers, regulators, investors, and local communities, we assess and prioritise key material topics that reflect our values and strategic objectives.

The 2024 materiality assessment highlighted six key issues that are critical to our operations, our communities, and the environment in which we operate. Below is a map of impact level for our key material topics.



Material Issue 1: Respecting and Promoting Human Rights

With a legacy grounded in responsible farming land stewardship, Kakuzi integrates human rights due diligence into its operations, upholding fair labour practices, safe working conditions, and inclusive stakeholder engagement. From farm to fork, Kakuzi prioritises transparency, community empowerment, and respect for human dignity, in line with global best

practices and its own sustainability commitments.

Human Rights Policies

We have implemented a robust policy framework, forstering fair labour practices and ethical business conduct.

Policy	Description
Human Rights Policy	Applies to employees, suppliers, contractors, partners, and surrounding communities. It emphasises inclusivity, particularly for vulnerable groups such as women, children, human rights defenders (HRDs), and persons with disabilities.
Fair Treatment and Good Working Conditions Policy	All employees, suppliers, and service providers are treated fairly and respectfully.
Occupational Safety and Health Policy	Supports the safety, health, and welfare of employees, visitors, and contractors in compliance with legal standards.
Anti-Slavery & Anti-Human Trafficking Policy	Seeks to address and mitigate any modern slavery and human trafficking within business operations and supply chains.
Anti-Sexual Harassment Policy	Fosters a work environment where discrimination and harassment are not tolerated, applying to employees, contractors, and visitors.
Whistleblowing Policy	Provides a confidential mechanism for employees, customers, and contractors to report concerns about unethical or unlawful conduct.



Board Oversight on Human Rights

As a responsible agribusiness, we embedded the United Nations Guiding Principles on Business and Human Rights (UNGPs) into our core governance framework. The Board of Directors oversees the review of adherence to these principles through independent audits, human rights risk assessments, and structured stakeholder engagement. The Independent Human Rights Advisory Committee, an expert body that advises the Board on potential human rights risks, supports this commitment by proposing mitigation strategies and tracking the effectiveness of implemented actions. This governance model reinforces Kakuzi's pledge to

ethical, transparent, and accountable operations across all facets of its business.

Grievance Mechanisms – SIKIKA

Kakuzi has established SIKIKA, an anonymous platform for reporting company – related grievances. The Operational Grievance Mechanism (OGM) is integral in addressing employee and community concerns.

The OGM has two tiers. Tier 1 handles routine complaints from workers and local communities while Tier 2 is dedicated to addressing serious human rights violations.

SIKIKA Level	Function
Tier 1	Handles daily operational grievances. In 2024, it received 245 cases, resolving 239. For the remaining six cases, three cases escalated to SIKIKA Tier 2, while the other three were referred to external lawyers. 74.2% of reports came from females, indicating continued focus on gender-sensitive grievance mechanisms.
Tier 2	Addresses severe human rights violations. Three cases were escalated from Tier 1, while three others—confidential, sensitive, and victim-centric—were referred to external lawyers.

Identifying & Addressing Human Rights Risks

1. Due Diligence Processes

Kakuzi uses risk assessments, supplier audits, and employee feedback mechanisms to identify and mitigate human rights risks. The SIKIKA platform provides confidential reporting, independent investigations, and resolution mechanisms.

2. Fair Treatment & Working Conditions

Workers, including seasonal and contract employees, receive fair wages, safe working conditions, and proper representation through:

- a) Fair Labour Policies and compliance with the Collective Bargaining Agreement (CBA).

- b) Occupational Safety and Health Policy, safeguarding workers' wellbeing.

- c) Decent employment implementation, exceeding statutory minimum wages.

Following the 2024 CBA signing, unionised workers received a 16% wage increase, phased over two years from January 2024.

3. Employee Representation

Kakuzi facilitates multiple representation structures:

Representation	Function
Union Representation	Employees elect representatives to engage with management on CBA implementation.
Occupational Safety & Health Committees	Employees elect members to support workplace safety.
Grievance Committee	Provides employees with a formal grievance resolution channel.
Village Environmental Committees	Focus on welfare and living conditions in company housing quarters.
Food Safety Committees	Employee-led groups oversee food safety in operations.
Recruitment Committees	Recruitment Committees support fair and transparent hiring processes.

4. Ethical Sourcing & Supplier Audits

Our suppliers and partners uphold ethical sourcing policies and human rights standards through:

- a) Supplier Codes of Conduct outlining expectations for labour rights and environmental sustainability.
- b) Regular Audits assessing compliance with ethical sourcing and human rights.
- c) Mandatory Training Programmes covering human rights, diversity, and ethical business conduct.

5. Addressing Workplace Discrimination & Gender Inequality

- We mitigate risks of discrimination, harassment, and gender inequality through:
- Policies on anti-discrimination, anti-sexual harassment, and gender equality.
- Continuous employee training on workplace rights and ethical conduct.
- Transparent recruitment policies supporting gender representation and equity.

Measuring Human Rights Performance

Key Performance Indicators (KPIs)

We track compliance through:

- Worker satisfaction surveys
- Audit results
- Grievance resolution rates
- Supplier compliance scores

External Collaborations

Kakuzi PLC actively partners with leading local and international organisations to strengthen its human rights policies and align with global best practices. These collaborations enable continuous learning, benchmarking, and improvement in our governance and operational standards. Our key partners include:

- **UN Global Compact** – Supporting alignment with universal principles on human rights, labour, environment, and anti-corruption.
- **Global Compact Network Kenya** – Facilitating local dialogue, capacity building, and reporting on sustainability practices.
- **Ethical Trading Initiative (ETI)** – Enhancing labour rights and ethical sourcing practices within our supply chains.

Continuous Improvement & Future Targets

We remain committed to advancing human rights performance as an integral part of our business strategy and sustainability agenda. Our approach is rooted in continuous improvement and guided by the evolving expectations of our stakeholders. Key focus areas include:

- **Deepening stakeholder engagement** to foster

inclusive dialogue and embed best practices in governance.

- **Benchmarking against global and industry standards**, enabling us to refine our human rights policies and operational processes.
- **Conducting regular policy reviews** to align with emerging risks and opportunities, while setting bold, measurable targets where possible.

Material Issue 2: Product Safety and Quality

At Kakuzi PLC, product safety and quality are fundamental pillars of our value proposition, directly influencing customer trust, regulatory compliance, and global competitiveness. We are committed to delivering premium products through rigorous adherence to internationally recognised food safety standards and certifications.

Our quality assurance framework includes:

- Strict compliance with global food safety regulations and certification schemes, such as GLOBALG.A.P., FSSC 22000, and HACCP.
- Comprehensive quality control systems throughout the production and supply chain,

incorporating advanced testing technologies, real-time monitoring, and traceability protocols.

- **Supplier verification processes, check that all raw materials and inputs meet our safety and quality benchmarks**

Kakuzi also actively collaborates with clients, certification bodies, and regulatory authorities to continuously enhance our systems. Our commitment to continuous improvement enables us to uphold the highest standards of product integrity, positioning the Company as a trusted supplier in local and international markets.



Various Products Certification Standards

FSSC 22000

This risk-based Food Safety Management System (FSMS) is implemented at the avocado packhouse and the macadamia processing factory. The FSMS endeavours to make the products (fresh avocados and dried macadamia nuts) safe for human consumption from receipt to dispatch. Third-party certifications endeavour to assure that the products are fit for human consumption. The Company has a system that traces products from the farm to the warehouse. Our certification versions are GFSI benchmarked – the world's most widely accepted benchmark documents for food safety programmes.

GlobalG.A.P. add-ons

At Kakuzi, our blueberry and avocado operations are GLOBALG.A.P. certified. With such certification, we demonstrate our commitment to advancing good agricultural practices. We reassure our customers that our food products are produced with minimal detrimental environmental impact. An integrated pest and disease programme assures product safety, and we take a responsible approach to workers' health and safety and animal welfare. Our Good Agricultural Practices go beyond products. They are also about people's welfare. We have a voluntary farm-level GRASP for social practices.

Diamond Mark of Quality

Our treated wooden poles have been granted the mark of quality based on the excellent performance of the product.

SPRING

At Kakuzi, we have implemented efforts to manage water risks and promote sustainable practices. We demonstrate this through the SPRING audit.



Rainforest Alliance

Our avocado operations are certified by the Rainforest Alliance (RA). This confirms that our agricultural practices are sustainable and deliver value to the Company, workers, and responsible supply chains.

Kosher

Our macadamia factory has implemented the Kosher requirements. The Kosher system ensures that the processing of the nuts does not render them non-kosher due to cross-contamination of equipment also used to process meat and dairy products. The nuts processed and packed comply with dietary guidelines set by traditional Jewish law.

SMETA (Sedex Members Ethical Trade Audit)

Our blueberry, macadamia, and avocado operations are SMETA 4-Pillar audited. This social audit enables us to demonstrate the supply chain's working conditions, business ethics, and environmental practices. The SMETA audit reports and their validity can be accessed through the Sedex platform.

Halal certification

Our beef and beef products are Halal certified. The animals are slaughtered in a single cut and thoroughly bled, and the meat does not come into contact with the slaughtered animals. This guarantees that the beef and services meet the requirements of Halal certification. Our avocado packhouse processes are also Halal certified.

*Growing
Together*

Kakuzi production overview

Kakuzi PLC has a diverse agricultural portfolio that contributes to the business's ESG footprint. Below is a comprehensive breakdown of output from each of our production divisions.

Products	2022	2023	2024
Macadamia	372 tonnes	600 tonnes	723 tonnes
Avocado (Own Estate)	14,231 tonnes	14,140 tonnes	12,537 tonnes
Tea	1,495 tonnes	1,817 tonnes	2,009 tonnes
Blueberry	28 tonnes	12 tonnes	56 tonnes
Livestock	4,065	4,506	4,290
Commercial forestry	1,591ha	1,600ha	1,656ha

Macadamia Production

In 2024, Kakuzi expanded its macadamia production area from 1,356 ha to 1,404 ha, increasing output to 723 tonnes, up from 600 tonnes in 2023. This growth was driven by land expansion, improved agronomic practices, and the maturation of previously planted orchards. Our projection for 2025 is to increase the production volume to between 800 and 850 tonnes.

Year	Production Area (ha)	Output (Tonnes)
2023	1,356	600
2024	1,404	723

Sustainable Agricultural Practices

We sustained higher macadamia yields in 2024 compared to 2023, while promoting sustainability through responsible pest control, soil health enhancement, and efficient water usage.

For pest control, we conducted regular field

inspections to monitor pest pressure. Biological control methods were the preferred intervention, with chemical pesticides used only when pest levels exceeded thresholds and no alternatives were viable.

We conducted soil and leaf nutrient analyses to support soil health and determine specific fertilisation needs. We applied natural fertiliser made from macadamia shells, which enhanced soil organic matter and significantly reduced reliance on synthetic fertilisers.

Water efficiency was achieved using micro-sprinkler irrigation systems. These systems ensured precise water delivery to each tree's root zones, minimising water wastage and supporting optimal tree health.

Circular Economy Initiatives

We continued promoting circular economy





principles within our macadamia operations. While macadamia husks were returned to the fields for organic fertiliser, the hard shells were used as biomass fuel in the drying process.

Additionally, cut grass from the orchards was left to decompose on-site, enriching the soil and increasing organic matter content.

These practices reduced waste and supported environmental conservation, which is consistent with our broader sustainability strategy.

Our integrated approach enabled the development of multiple product lines and revenue streams, enhancing profitability within the macadamia division.

Raw macadamia nuts were primarily exported to international markets. In contrast, value-added roasted nuts available in salted, non-salted, honey-coated, chips cereal mix, and fine flour variants, were distributed within the local market. Furthermore, other grades are processed into macadamia oil, a premium product that allows us to minimise waste and increase overall income.

Value Addition and Market Diversification

Product Type	Target Market	Notes
Raw nuts	Export	US, Europe, China, Japan, Middle East
Roasted variants	Local	Salted, non-salted, honey-coated, cereal mix and fine flour
Macadamia oil	Local & niche	From our orchards produce



Avocado (Own Estate) Production

In 2024, Kakuzi recorded an avocado production volume of 12.5 million tonnes, a decline from 14.15 million tonnes in 2023. This drop was mainly attributed to excessive rainfall during the April–May long rains, which led to waterlogging and tree mortality, particularly in newly established orchards.

Traceability and Risk Analysis

Traceability remains a critical aspect of our avocado operations. Each orchard maintains detailed records of pest and disease control, fertiliser applications, and chemical use. This practice enables full traceability from farm to market, maintaining consumer trust and product integrity.

The Company proactively conducts risk analysis, beginning with Maximum Residue Level (MRL) testing before harvest to verify that no chemical residues are present and hygiene protocols are implemented throughout the packhouse. We also vet our suppliers, requiring them to demonstrate accredited processes and retain product samples to monitor fruit condition during transit. In the unlikely event of a quality issue, we have a robust product recall system. Notably, no product recalls were reported in 2024.

Smallholder Engagement

We work directly with contracted smallholder farmers, bypassing middlemen and marketing agents. This approach provides farmers with direct benefits and fair compensation. We offer farmers regular training and capacity building to improve agronomic practices. Furthermore, we conduct pre-harvest maturity checks to verify that fruit meets market requirements before harvesting begins.

Sustainable Farming Practices

Kakuzi practices Integrated Pest Management (IPM) in all avocado orchards. The IPM system incorporates biological control methods, sex pheromones to disrupt pest breeding, pruning for improved tree aeration, and carefully timed cover sprays with appropriate pre-harvest intervals to minimise chemical residues.

Soil health is preserved through calculated fertiliser application based on crop needs. Organic matter, such as pruning and fallen leaves, is left under trees to decompose, enriching the soil and reducing the need for synthetic fertilisers.

Practice	Purpose
MRL testing	MRL testing verifies chemical-free harvests.
Hygiene protocols	Maintain food safety standards
Product recall procedures	Enable a timely response to quality issues
Supplier vetting and sample retention	Monitor post-harvest quality and transportation risks





Water Use Efficiency

Our avocado orchards are fully equipped with micro-jet irrigation systems. Each tree has a dedicated micro-sprinkler delivering water directly to the root zone.

This system has significantly reduced water use while improving efficiency. Water application is tailored to the tree's growth stage: complete water replacement is applied during flowering, while water is reduced post-harvest to stress the trees and trigger flowering.

Kakuzi has invested in 19 earth dams that store up to 13 million m3 of rainwater annually, ensuring consistent water availability across seasons.

Growth Stage	Watering Strategy
Flowering	100% water replacement
Post-harvest	Minimal water to induce flowering

In 2024, 98% of avocado produce was exported, with the remaining 2% serving the local market. Our primary export destinations included France and the Netherlands in Europe, with secondary markets in China and India.

Kakuzi's export operations comply with local and international regulations. Domestically, the Company collaborates with the Horticultural Crops Directorate (HCD), the Kenya Plant Health Inspectorate Services (KEPHIS) for phytosanitary inspection and clearance, and the Kenya Ports Authority (KPA) for logistics. Internationally, we meet all destination-specific requirements, including mandatory pre-export fumigation for markets such as China. Packaging and handling procedures follow phytosanitary guidelines to maintain product integrity across all value chains.

Infrastructure and Expansion

Our packhouse is equipped with innovative fresh technology that preserves fruit ripeness and quality throughout the handling process. A dedicated on-site borehole and water tank support the availability of clean and sustainable water for processing activities. Our food safety systems remain robust and were validated. As part of our gradual expansion strategy, we plan to increase our avocado production area by 120 hectares over the next two years. In 2024, the total land under avocado cultivation stood at 963 hectares. This phased expansion strategy is designed to support business growth while ensuring environmental conservation and resource efficiency.

Tea Production

Kakuzi manages an expansive estate of 510 hectares of mature tea plantations in Nandi Hills, which form a central part of our agricultural operations. These tea plantations are carefully maintained, with ongoing replanting efforts to support long-term productivity and land rejuvenation.

We surpassed our 2024 green leaf target of 1,574.7 tonnes by producing 2,009 tonnes, an impressive 27.6% increase compared to the previous year.

Sustainability and Environmental Stewardship

Indigenous tree plantations across the estate are strictly protected from harvesting, and a five-year enrichment program to enhance biodiversity is underway.

The tea factory where our tea is processed is powered by renewable energy, with solar contributing 16% of the total energy mix in 2024.

Challenges and Future Outlook

In 2024, Kakuzi faced external challenges, including rising input costs for fuel and fertilisers, and climate-related disruptions.

Despite these hurdles, we implemented budgetary controls and adapted operations to maintain financial and production stability.

Area under cultivation

510ha

Output in tonnes

2,009



Blueberry Production

Blueberry production at Kakuzi grew by 36% in 2024, reaching 56 tonnes, a significant increase from 12 tonnes in 2023. This was driven by the strong performance of high-yielding varieties. These varieties have consistently produced high-quality fruit that meets the stringent requirements of international markets.

Market Distribution

Below is a breakdown of Kakuzi’s international and local markets’ export distribution of blueberries in 2024.

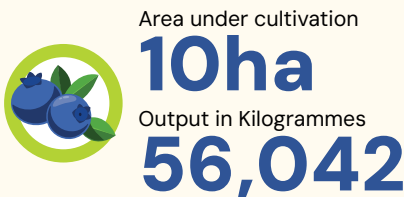
Market	Exported Quantity (Kg)
International	34,500
Local & Regional	21,542
Total	56,042

Post-Harvest Handling and Cold Chain Management

To maintain the premium quality and freshness of the fruit, Kakuzi implemented a strict cold chain management system. The time between harvesting and placement into cold storage is kept under 30 minutes. Once in storage, the berries are held at a consistent temperature of approximately 0.5°C until they are dispatched. This approach helps that the berries retain their freshness and quality throughout the supply and distribution process.

Traceability and Ethical Compliance

Traceability is established at the point of harvest. Each blueberry batch is labelled on-site with details such as the harvester, the packer, and the palletisation data. This system guarantees transparency and accountability throughout the supply chain. Planting materials are sourced from internationally accredited organisations that conform to global standards. Audits are conducted by certified bodies, including SMETA and GRASP, to verify ethical labour practices.



Integrated Pest Management

We have implemented an Integrated Pest Management (IPM) strategy to control pest populations sustainably. This includes maintaining field sanitation to eliminate pest hosts and deploying pheromones to trap and reduce insect pests. Using pheromone traps further supports pest control efforts and minimises the need for chemical interventions.

Water and Nutrient Management

For efficient use of resources, Kakuzi uses the NetaJet automated irrigation system. This system delivers precise quantities of water and nutrients directly to the roots, optimising plant health and minimising waste. Rainwater is harvested from greenhouse rooftops during the rainy season and stored in on-site dams for later use. Blueberry cultivation takes place on a substrate a soilless medium allowing for controlled water and nutrients application. This method is similar to hydroponics and can produce up to 30% higher yields than conventional soil-based cultivation.

Quality Assurance and Customer Service

Kakuzi has a well-established product recall procedure for blueberries. In the event of an issue, the affected product is promptly recalled and isolated. Depending on the nature of the issue, the product can be reworked or safely discarded.

The Company addresses customer concerns through product replacement or, where necessary, the issuance of credit notes. In 2024, only one customer case was reported involving the mishandling of 63 packets, which was satisfactorily resolved through product replacement.

Production Area and Future Expansion

Currently, Kakuzi produces blueberries on 10 hectares of land. Plans to expand this area systematically to 100 hectares over the next six to 10 years are in place. This measured approach to expansion is designed to maintain high production quality while effectively managing associated risks.





Beekeeping

As part of Kakuzi's deep-rooted commitment to sustainable agriculture, biodiversity conservation, and responsible production, beekeeping and honey production have emerged as key components of our ESG agenda. While still growing, beekeeping is essential in supporting crop yields, enriching natural ecosystems, and providing high-quality, traceable honey for the market. This is a perfect example of circular value creation within our agribusiness model.

Bees are strategically integrated into Kakuzi's avocado, macadamia, and blueberry orchards for honey production and, more importantly, as critical pollinators. In the blueberry blocks, we are piloting the use of stingless bees, which have proven to be highly effective in enhancing pollination outcomes in this delicate crop. The traditional honeybee continues to boost flowering success rates and improve fruit set, directly impacting quality and yield in our macadamia and avocado fields.

By maintaining over 3,263 hives across the Kakuzi ecosystem, including 776 in macadamia alone, we are committed to an environmentally sound method of pollination while producing a natural product with traceable origins.

Production Overview

In 2024, total honey production across all divisions stood at 1,974 kilogrammes. A total of 1,405 kilogrammes (1.4 tonnes) of processed honey was obtained from the hives in the macadamia orchards and the remaining from the avocado orchard and blueberry farm.

Metric	2024 Figures	2025 Targets
Bee Production (Processed Honey)	1,974kgs	2,800 kg
Total Hives across Kakuzi Ecosystem	3,263	3,500

Consistent Quality and Traceability from Farm to Market

Our honey production process is rooted in on-farm practices that protect product purity and ecological integrity. This is achieved by implementing key measures such as pre-harvest inspections of all hives to make certain that only mature honey is collected, free from immature bee larvae (manna). Additionally, the hive is well maintained for proper queen exclusion using regulation mesh to prevent egg-laying in honey chambers and regular pest control (against wax moths, ants, and honey badgers).

To maintain the integrity of nectar sources, foraging is directed primarily towards safe, pesticide-free flora such as macadamia flowers and natural vegetation. Pest control in surrounding orchards follows strict guidelines, using only approved substances, and is conducted during pollinator-safe hours—early morning or late evening. During the macadamia off-season, sunflowers and other nectar-rich crops are planted to for consistent bee nutrition throughout the year.

To further support colony health, accessible water points are positioned near hives, minimising stress and enhancing both pollination and productivity. Honey processing is carried out under stringent quality standards using manual spinners and approved sieves to remove wax and other contaminants, upholding a clean, traceable product from hive to shelf.



Traceability Measures

We trace every jar of honey back to its origin through a robust identification and documentation process. To achieve this, every hive is tagged with a unique code, e.g., KT/005/2024, indicating location (Kitito), hive number, and year of installation. Honey is then harvested, processed, and packed by field and batch, with detailed harvest logs maintained. Most importantly, packaging is marked with packing dates, and any customer complaints are traced back to specific processing events and locations.

Processing & Value Addition Techniques

Kakuzi exclusively sells processed honey, avoiding comb honey to enhance shelf life and quality. For quality purposes, we select mature honeycomb and spin it manually, which is preferred over electric, to maintain honey integrity. We add value by honey-coating macadamias, increasing profitability and product diversification. Kakuzi also sells the extracted beeswax to interested buyers, while some is reused to prime empty hives, reducing the need for commercial comb starters.

Worker Safety in Honey Production

Honey harvesting is typically conducted at night (up to 10:00 p.m.) when bees are less aggressive. For worker safety, we induct and train all staff on occupational risks, provide protective clothing, including full bee suits, gumboots, and leather gloves, and provide on-site security support during harvesting activities to prevent injuries or wildlife encounters.



To maintain the integrity of nectar sources, foraging is directed primarily towards safe, pesticide-free flora such as macadamia flowers and natural vegetation.



Livestock Keeping

Kakuzi's livestock operations have been part of our diversified agricultural business since the early 1980s. What began as a cattle production venture has since evolved into a multi-livestock enterprise that includes various livestock.

Our approach to livestock farming goes beyond commercial objectives. It is rooted in environmental stewardship, biodiversity conservation, and sustainable land management. Livestock farming supports our broader ESG goals by promoting regenerative agriculture, ecosystem balance, and community livelihood opportunities.

This focus aligns with our long-term strategy to operate responsibly in our environment while responding to evolving consumer preferences for diversified, safe, traceable meat products.

During the year, our total sales revenue from livestock amounted to KSh65,836,281, derived from both livestock and livestock product sales. The total livestock sales stood at KSh17,742,000, generated mainly from live cattle sold for breeding and genetics, slaughter, and casualty sales. On the other hand, the total sales from livestock products reached KSh48,094,281, with the majority of income

from value-added products such as butchery sales, milk, offals, hides, manure, and biltong.

Livestock Production Journey & Diversification

Kakuzi's livestock enterprise is built on a foundation of diversification and sustainability, with each livestock category playing a strategic role in both commercial output and environmental stewardship. Established in 1982, our cattle operation remains the core of our livestock activities, contributing to food production while promoting soil health through sustainable grazing practices.

In 2001, we introduced goat farming to support natural bush control. By allowing goats to clear undergrowth and invasive vegetation, we reduced reliance on chemical herbicides and enhanced biodiversity.

Most recently, in 2024, we expanded into sheep farming by acquiring 32 sheep from local suppliers. This addition aligns with our commitment to environmental management while meeting growing market demand for diversified meat products. Our approach to livestock is deliberate and integrated, ensuring that economic viability goes hand in hand with ecological responsibility.

Metrics & Performance — 2024 Livestock Production Overview

Livestock Type	Output in 2023	Output in 2024	Key Insights
Cattle	3,955	3,915	Slight production decline due to herd management strategies and environmental considerations.
Goat	551	343	Decline due to supply chain challenges and disease management interventions.
Sheep	N/A	32	Introduced in 2024 as part of diversification and environmental strategy.

Regenerative Grazing & Environmental Conservation

At Kakuzi, livestock farming is a key pillar of our regenerative agriculture practices. Our cattle, goats, and sheep are 100% grass-fed, contributing to natural land management and the restoration of soil health.

We gain multiple ecological benefits through regenerative grazing, including organic fertilisation via livestock manure, improved water infiltration and reduced runoff, and natural soil aeration from hooves. Additionally, we achieve effective bush control through targeted grazing by goats and sheep. This approach minimises the need for chemical inputs while promoting a resilient and biodiverse ecosystem.

Mobile Bomas: Enhancing Soil Fertility and Ecosystem Management

As part of our commitment to environmental conservation, we have adopted Mobile Bomas, portable livestock enclosures that facilitate rotational grazing across our land. These mobile units allow for the strategic movement of livestock, delivering key ecological benefits such as even manure distribution to enhance soil fertility, prevention of overgrazing and land degradation, improved pasture regeneration, and natural soil aeration through livestock movement. This practice is integral to our regenerative agriculture model, promoting sustainable land use while restoring ecosystem health and biodiversity.

Animal Health & Quality Control

We operate a structured animal health programme, underpinned by a computerised livestock management system that tracks treatment schedules, health monitoring data, and vaccination and disease management records. This system supports traceability and accountability, reinforcing our 'farm-to-fork' philosophy and helping provide consumers with safe, high-quality meat products.

Sustainable Meat Processing & Traceability

Kakuzi operates its own butchery, promoting a closed-loop, sustainable value chain — we produce what we sell.

Our products are sold through our Kakuzi Butchery and Boran Ban food outlets, which are Halal certified and regularly inspected by public health authorities.

In line with product innovation and diversification, we introduced *biltong* (dried meat snacks) in 2023 and expanded meat product offerings in 2024 by introducing sheep.

Social Impact & Employment

The livestock division employs approximately 190 staff members, including 12 women, reflecting our commitment to local employment and gender inclusion.

Looking Ahead

Our future livestock strategy is centred on scaling impact and sustainability. Key priorities include increasing sheep numbers to meet rising market demand, expanding the Mobile Bomas programme to cover broader grazing zones, and strengthening our animal health monitoring systems. We also aim to grow our range of sustainable meat products under the farm-to-fork model while leveraging livestock as a catalyst for environmental conservation, regenerative agriculture, and biodiversity enhancement.

By allowing goats to clear undergrowth and invasive vegetation, we reduced reliance on chemical herbicides and enhanced biodiversity.

Commercial Forestry: Sustainable Forest Management

Kakuzi's forestry division oversees 1,900 hectares of land, comprising 1,600 hectares of commercial forests and 300 hectares of indigenous forests. The commercial plantations are managed on a 10 to 12-year rotation cycle to support sustainable harvesting. These forests are a primary source of treated poles, timber, and pallets. In contrast, the indigenous forests are preserved with minimal human intervention to support biodiversity, natural regeneration, and long-term ecosystem stability.

We track the number of trees planted and their survival rates annually, with data captured by the compliance department. For instance, in 2024, Kakuzi planted over 20,000 indigenous trees, with a survival rate of 85% by the end of the year. This initiative is vital for biodiversity and helps restore ecosystems, particularly around the Thika River, which we have adopted for environmental management.



20,000

indigenous
trees planted

Production Output and Commercial Success

In 2024, the forestry division recorded notable commercial achievements in product output. Converting older plantations and adopting improved hybrid seeds led to higher yields and enhanced product quality. The division also secured a major order for transmission poles, which significantly boosted production volumes.

During the year, we achieved a total harvest volume of 25,112 m³ of timber. Out of this, 7,201 m³ were processed into treated posts and poles, and 13,631 m³ were used for firewood production. In addition, we produced 1,584 bags of charcoal, 956 m³ of sawn timber, and 14,489 pallets. Overall, our forestry operations focused on sustainable resource use and value addition through processing and diversification of forest products.



Quality Assurance and Regulatory Compliance

To uphold product quality and client confidence, the division offers a 12-year warranty on all treated poles and posts. A structured customer complaint resolution system is in place, capturing order numbers, supply dates, the nature of complaints, resolution steps, and client satisfaction.

In 2024, the division received two complaints. The first involved the drill bit size used on a batch of poles, which was resolved by dispatching a team to expand the holes. The second complaint concerned post-splitting and was addressed by educating the customer on proper handling techniques. These cases demonstrate Kakuzi's responsive client service and emphasis on post-sale support.

All forestry products meet the standards set by the Kenya Bureau of Standards (KEBS). Specifically, the division complies with KS 516:2020 for transmission posts and KS 1608:2020 for fencing posts, maintaining consistency and safety in all outputs.

Sustainable Timber and Charcoal Production

Our forestry operations also follow circular economy principles. After timber and poles are processed from eucalyptus trees, any unusable wood remnants are repurposed into sustainable charcoal. This charcoal is sold to staff and customers, sustainably supporting local energy needs. Additionally, the remaining wood is provided to the community for free, reducing their energy costs and supporting local livelihoods.

Area under Commercial forests

1,600ha

Area under Indigenous forests

300ha

Case study: Commercial Forestry

Growing Together

How Kakuzi is making the Dream of a Carpenter in Makuyu come true

Kenneth Kariuki is a carpenter and timber processor based in Makuyu, Murang'a County. For over a decade, Kariuki has served customers from his local community, offering high-quality furniture and timber products.

The 44-year-old family man's craftsmanship and entrepreneurship spirit have created employment opportunities, offering three stable jobs and hands-on training in carpentry and timber processing.

According to Kariuki, starting was tough. *"I didn't have much capital. I had to work with what I had, that is, basic tools and a small working space,"* he said. Kariuki reminisced about the days he would wonder if he would make it. *"Transport was and still is a big challenge. In this line of work, you must move timber, deliver furniture to customers, and sometimes even collect raw materials from far-off places. Without a proper means of transport, I depend on hired vehicles or even pushcarts, which limits my ability to grow quickly."*

"Since my workshop is just near Kakuzi, one of the managers at the company from the forestry department noticed my work, and one day he approached me and enquired if I would make some products for them," Kariuki narrated.

This became his turning point. Through Kakuzi, he could access quality timber, which completely transformed his work. *"My products improved significantly. The chairs, tables, beds, and other products I produced at the workshop started drawing attention."* Customers started noticing the difference and began recommending him to their friends and family.

His workshop, located near Makuyu town, looks like a typical yard. As Kariuki puts it, *"he may not have all the equipment he dreams of yet, but he has returning customers and steady orders."* He said he has learnt how to manage his income carefully enough to keep the business running and care for his family. *"That's something I'm truly proud of,"* he said.

Additionally, Kakuzi entrusted him with making furniture for them. *"With time, Kakuzi has entrusted me with processing timber and making a range of wooden furniture such as desks, lockers and chairs for them. These items have formed part of Kakuzi's social investment initiatives,"* said Kariuki.

He said he is proud of his work because he has realised that, by extension, he is supporting educational infrastructure and improving the learning environment for hundreds of school-going children within his locality.

Kariuki's dream is to establish a larger timber and furniture yard, which would enable him to scale operations, reach new markets, and create more employment opportunities.



With time, Kakuzi has entrusted me with processing timber and making a range of wooden furniture such as desks, lockers and chairs for them.

– Mr. Kenneth Kariuki

90%

Of forest workforce recruited from community



35%

Of forest workforce comprises of women

Plantation Improvement

Improving plantation health and yield is a priority for Kakuzi. In 2024, the Company imported hybrid forestry seeds from South Africa to support the commercial forest segment. For reforestation efforts in indigenous areas, seeds were procured locally from the Kenya Plant Health Inspectorate Service (KEPHIS). This combination of international and local seed sourcing supports biodiversity, adaptability, and resilience in forestry operations.

Community Support and Capacity Building

Kakuzi remains deeply committed to empowering local communities through employment and training opportunities. In 2024, 90% of the forestry workforce was recruited from nearby communities, with women making up 30% to 35% of the employees. This inclusive hiring practice supports gender equity and local socio-economic development.

The division also provided internship opportunities, hosting up to four students at a time. Last year, one student completed the programme, gaining hands-on experience in

sustainable forestry.

Additionally, community members received training on proper planting and forest maintenance techniques during seedling donation drives, enhancing long-term tree survival and environmental stewardship.

We also expanded our commitment to local communities by donating 600 indigenous trees to schools and community groups. This initiative fosters a culture of environmental stewardship and supports reforestation efforts in the region.

Long-Term Growth and Innovation

To position the forestry division for long-term sustainability and scalability, Kakuzi has initiated several strategic investments. These include improvements in land preparation techniques, enhancements in plantation growth cycles, and the acquisition of advanced machinery to boost operational efficiency. In 2024, the Company recruited a qualified wood scientist to lead innovation in product development and quality assurance.

Growing Together

Staff Composition by Gender (2024)



Material Issue 3: Employee Welfare, Safety, and Development

At Kakuzi, our people are our greatest asset. From the fields to the offices, every individual plays an integral role in the success and sustainability of our business.

Recognising this, we have continued to invest in a safe, inclusive, and empowering work environment where every team member can thrive. Our approach to employee welfare in 2024 focused on three pillars: safety and health, training and development, and inclusive workplace practices.

1. Workforce Demographics

In 2024, our total workforce stood at 3,743 employees, with 64% male and 36% female representation. We continue to promote diversity and are actively working towards more balanced gender representation at all levels.

2. Health, Safety, and Wellbeing

We are guided by our Occupational Safety and Health Policy that outlines roles and responsibilities for management, supervisors, and employees in creating and maintaining a safe work environment.

Our safety programme includes:

- Joint Safety and Health Committees at departmental and central levels
- Regular workplace inspections to identify risks and good practices
- Mandatory annual safety and fire audits,

submitted to the Directorate of Occupational Safety and Health Services

- Noise and hearing conservation programmes, including decibel level monitoring and audiometric tests
- Chemical handler medical assessments to promote health and compliance.
- Employees are trained and equipped with appropriate Personal Protective Equipment (PPE) and supported through incident response, first aid, and where necessary, referral to hospitals. In cases of injury, compensation is provided in line with the Work Injury Benefits Act (WIBA).

We have also integrated mental health and counselling services into our estate clinics, recognising that wellbeing extends beyond physical health.

Occupational Health and Safety

At Kakuzi, safeguarding the wellbeing of our employees is fundamental to our operations. In 2024, we recorded 412 incidents across our sites, the majority being minor cases such as soft tissue injuries, insect stings, and sprains, common in physically intensive farm and field work.

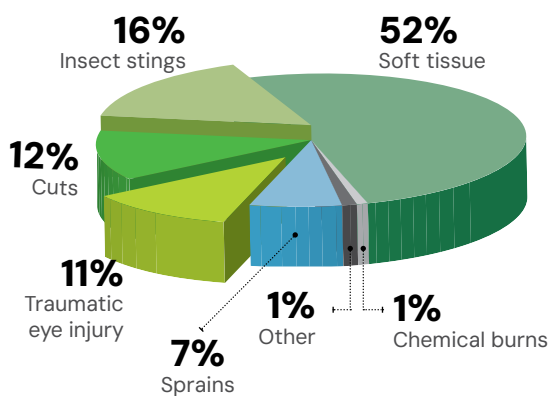
Other incidents, including chemical burns and animal bites, were rare, accounting for less than 2% of all cases. Importantly, we recorded zero fatalities during the year.

Our prevention strategy is anchored in regular risk assessments, fire and noise audits, chemical exposure controls, and continuous training to ensure employees use protective equipment effectively. Dedicated safety committees remain active in identifying and addressing workplace hazards, strengthening our ability to act swiftly. As a result, we maintained a low accident rate of 0.12 per 100 worker days, reflecting our commitment to continuous improvement in workplace health and safety. Importantly, every incident is treated with seriousness, minor cases are managed on-site, while more serious ones receive immediate hospital care, with all compensations processed in line with the Work Injury Benefits Act (WIBA).

Work Place Injuries (2024)



Majority are minor and manageable



3. Training and Capacity Building

2024 saw a significant investment in employee growth and knowledge-sharing. Training at Kakuzi is needs-based and guided by annual training needs assessments, internal audits, and legal requirements. Our approach includes technical training, leadership development, health and safety, and human rights awareness.

We also promote continuous learning across departments, including our clinical and veterinary

teams, who are supported to stay abreast of latest standards and innovations.

Employee Training in 2024

Training Type	Employee Training Events
Health & Safety	5,003
SHARP (Sexual Harassment, Abuse & Rape Prevention)	4,097
Human Rights	2,451
Grievance Mechanism	3,919
Menstrual Hygiene	3,239
Accreditation Audits	1,866
Fire Safety	1,069
First Aid	763
Food Safety / Hygiene	2,008
Supervisory & Management Training	1,195
Industrial Relations	1,151
Anti-Bribery and Corruption	427
Security Procedures	607

10 trainings per employee per year.

4. Dignity at Work and Inclusion

We believe in creating a workplace where all employees feel respected, heard, and protected. To support this:

- We have implemented grievance redress mechanisms through platforms such as Sikika, ensuring staff concerns are addressed fairly and promptly.
- The Tabassum Women's Hygiene Programme continues to offer free sanitary towels and hygiene training for both male and female employees, fostering dignity and awareness.
- Pregnant and recovering employees are supported through adjusted work duties and hours, safeguarding their health while remaining active contributors to our business.

Career growth at Kakuzi is designed to prioritise internal talent. Whenever vacancies arise, our first step is to look internally providing our people with the first opportunity to grow into new roles. Our people are at the heart of everything we do—and together, we grow.



Case study: Employee Career Opportunities

Growing Together

5 GENDER
EQUALITY

8 DECENT WORK AND
ECONOMIC GROWTH


Jacinta Wambui, Kakuzi's Female Tractor Operator

Jacinta Wambui has rewritten the narrative of heavy equipment operator at Kakuzi, igniting aspirations and admiration from peers.

At first, some of her colleagues were curious and unsure, wondering how she would take on the challenge of operating a tractor. A few found her choice unexpected because men traditionally hold this role. But for Jacinta, working with machinery feels natural. With confidence and ease, she's reshaping perceptions and challenging long-standing gender norms in agriculture, where women are often assigned manual, labour-intensive roles. At the same time, men typically take on mechanical and transport-related tasks.

Jacinta's story is not a chronicle of resilience but a beacon of hope and a path for many young women considering careers in heavy equipment or tractor operations.

The mother of two joined Kakuzi in October 2022 as a machine operator. This job requires operating farm equipment, discing, land lasering, levelling, spraying, cutting grass, and even harvesting. Her duties range from normal to more complex labour responsibilities requiring incumbents to take initiative, make judgment calls, and make decisions for their assigned process.

"I operate a tractor on the farm, which involves ploughing and levelling the land to prepare for

planting. I also cut and package grass for livestock stores and transport other products like firewood and timber," Jacinta said.

Jacinta developed an interest in automotive while in primary school. *"I used to get awed whenever I watched mechanics work on a vehicle, particularly a truck. As time went by, I became captivated by the intricate automotive world. This fuelled my love for motor vehicles and gave me the confidence to believe that one day, I could be a part of that world."*

Her typical working day starts at 6.30 am when she reports to the farm manager, who allocates duties and the machines. *"Before everything else, I do the daily morning routine checks like fuel level, any loose nuts, tyre pressure, plus any mechanical issues before I start my duties,"* she said.

She also supports maintenance by checking oil, fuel, tyres and mechanical parts to have the tractor and equipment function properly and serve their purpose when required.

The team at Kakuzi has been very supportive, and according to her, the job has been rewarding. *"I have been able to pay school fees for my kids and my bills."*

Her message to other women is a clarion call, an echo of self-belief and fortitude.

Material Issue 4: Community Impact



In 2024, Kakuzi allocated Ksh 25,586,785 towards various community projects. This investment benefited students, patients, farmers, and youth through targeted educational, health, and capacity-building interventions.

We assess our community initiatives through measurable indicators such as student retention, school performance, healthcare access, and the economic upliftment of community groups. This results-based approach allows us to monitor, refine, and scale our impact initiatives.

Kakuzi's integrated and transparent approach to community engagement reflects our commitment to responsible corporate citizenship, building resilient communities while contributing meaningfully to national and global development goals.

Health and Wellbeing

We delivered healthcare impact through five medical

camps; three were conducted internally, and two in partnership with Mbagathi Referral Hospital and the Rotaract Club of Thika at Thika Prison. These efforts reached over 1,600 individuals.

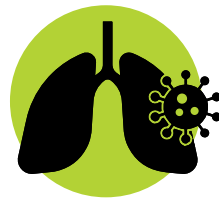
Additionally, the Tabasamu programme provided menstrual health education to 2,200 learners and 3,000 employees. We distributed over 2,600 sanitary towels to students and provided 4,556 sanitary towels internally to our staff. In total, menstrual hygiene sessions reached over 5,000 participants.

Our health infrastructure support included a four-door sanitation block at Mwanja Mbogo Dispensary and a 10,000-litre rainwater tank at Gituamba Health Facility. Improved access to clean water remained a key priority. We installed rainwater harvesting systems in four institutions and donated a large water tank to one school, benefiting more than 600 learners and community members.

Impact on Providing Access to Quality Healthcare



1,600
individuals – medical camps



200
T-Shirts on TB Awareness Campaign



4,556
Sanitary towels distributed to staff (Tabasamu Programme)



2,600
Sanitary towels distributed to 10 schools (Tabasamu Programme)



Construction of Sanitation block and provision of water tank





Case study: Healthcare

Growing Together

Kakuzi Partners with Gituamba Health Centre to Boost Rural Healthcare Access in Murang'a

Gituamba Health Centre, located in Ithanga sub-county, Murang'a County, is a public facility that treats 1,000 to 1,200 patients per month. The facility's major ailments include diabetes, hypertension, and tuberculosis (TB) for adults and minor illnesses and vaccinations for children.

The partnership was initiated through collaborative medical camps, during which Kakuzi and the health centre jointly planned healthcare services, conducted screenings, and mobilised community members to participate.

"We have benefited a lot from Kakuzi, and when we got to know about the Company, it was then that we started partnering with them in outreach services that they offer," said Cecilia Wambui, the sub-county health nurse.

According to Cecilia, as the relationship developed, the health centre approached Kakuzi with proposals for support, and the Company has helped the facility by providing a water harvesting and storage system, supporting medical camps, helping open a new clinic in Mwaniambogo, and supplying medications for

chronic illnesses. Additionally, Cecilia describes Kakuzi as a partner to the county government of Murang'a, with whom they collaborate, supervise, and share ideas to improve community healthcare services.

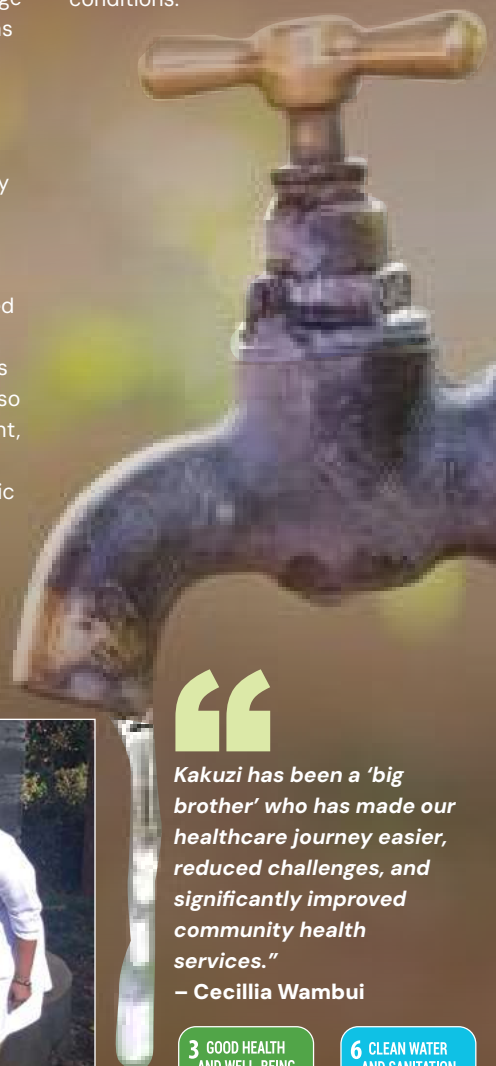
Kakuzi's support has significantly impacted the health facility in various ways, such as water infrastructure, which has solved a major challenge of clean water scarcity. This was enabled by installing a water harvesting system from the roofs and providing a storage tank for clean drinking water. This has enabled patients to take medicine with clean water.

The partnership has strengthened healthcare delivery in the community through outreach and infrastructure development. In 2024, Kakuzi and the health centre collaborated on a series of medical camps that reached between 100 and 500 patients per day. These camps offered screenings for HIV, TB, and malnutrition, while also providing health education, treatment, and helping to reduce medication gaps for individuals managing chronic illnesses.

In addition to the outreach efforts, the collaboration established the Mwaniambogo Clinic, including constructing essential sanitation

facilities. Situated in a previously underserved area, the clinic now delivers critical healthcare services to approximately 70 patients each day, improving access and outcomes for the local population.

This collaboration has enabled the planning and execution of health services, supervised and supported health programmes and provided medications for hypertension, diabetes, and other chronic conditions.



Kakuzi has been a 'big brother' who has made our healthcare journey easier, reduced challenges, and significantly improved community health services."

– Cecilia Wambui



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION





Access to Education

In 2024, we enhanced learning conditions by renovating Kitito Primary School, benefiting over 280 learners. Our mentorship programmes supported more than 600 students, while our scholarship scheme supported seven high school students and five vocational trainees at Don Bosco Training Centre. We also donated 398 pieces of classroom furniture to 22 learning institutions.

Case study: Education Growing Together

Kakuzi and Peter Kariuki (PK) Primary School Inspire Hope and Learning

PK Primary School, located in the Kabati area of Murang'a County, was established in 1982 on a 12-acre parcel of donated land. Situated in a low-income community, the school was built through the collective efforts of local parents who contributed voluntary labour to support its construction.

"Kakuzi began supporting the school by donating desks, significantly improving the learning environment. Since I took over as the headteacher, the school has received about 25 desks per year from 2021 to 2023," said Mr Muiruri.

The partnership has been crucial to improving the school's learning conditions, particularly through providing desks for students. With an enrolment of 1,848 pupils, the additional seating has eased pressure on facilities and enhanced classroom comfort. The school leadership expressed appreciation for the ongoing support, noting the durability and practicality of the desks.

The partnership has significantly improved the school's learning environment by easing the financial burden on parents, enhancing student comfort, and uplifting overall morale. These efforts have transformed

classroom conditions, strengthened the school's reputation, and deepened its relationship with Kakuzi.

The headteacher affirmed that Kakuzi's support has been instrumental in improving school infrastructure and access to essential learning resources, particularly for students from low-income households.

The school has a total student population of 1,848, comprising 995 boys and 853 girls.

Kakuzi's consistent donation between 2021 and 2023 demonstrates sustained support for learning infrastructure. In 2024, the company extended its assistance by providing five additional desks and chairs specifically for teachers, further enhancing classroom management and instructional delivery.

Kakuzi's donations have greatly impacted learners from Early Childhood Development (ECD) to upper primary levels. Students in Grades 1 to 4 have directly benefited from the improved seating arrangements, with the support spanning multiple grade levels to ensure an inclusive approach.



Community and Climate Action

To foster inclusive economic growth, we delivered training to youth and community groups in Jiko Kisasa technology, beekeeping, and avocado farming. Our commitment to supplier diversity saw more women integrated into our value chain.

We planted and donated over 600 trees within local communities to support reforestation and

environmental education, aligning with national climate goals.

Our Corporate Community Partnership (CCP) Committee, composed of departmental heads, promotes transparency and accountability by reviewing, approving, and monitoring community projects quarterly.

Material Issue 5: Sustainable Supply Chain Management

Ethical Sourcing

At Kakuzi, we have a procurement policy that provides fairness and transparency in the procurement and awarding of tenders. The ultimate objective is to procure the required quantity or quality of goods at the most competitive price.

Our Code of Conduct and Ethics promotes adherence to the highest level of transparency and fairness in all our corporate dealings. This also applies to our employees, contractors, suppliers, and service providers. It addresses issues of conflict of interest, corruption, and bribery.

In addition, our Insider Trading Policy helps the company, directors, and employees follow the law when buying or selling company stock. This policy is designed to protect the company's reputation and prevent anyone from using private accounts or important information to trade shares unfairly.

On human rights compliance, we are guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the four principles of the UN Global Compact: Human Rights, Labour, Environment and Anti-Corruption. We uphold fair working conditions and ethical practices.

Our ESG assessment process involves a comprehensive supplier questionnaire that evaluates suppliers against ESG principles, we conduct on-site inspections of supplier facilities to examine waste management, chemical usage, and labour practices. However, we provide guidance and

time for suppliers to rectify minor non-compliances, but we can remove them from the procurement list if they fail to improve. The strategy balances strict standards with a supportive and enhanced approach that prioritises sustainable development over punitive measures.

Traceability and Environmental Responsibility

We extended our carbon footprint assessment beyond direct operations, and we have been monitoring suppliers' own carbon emissions and environmental practices. Through Kakuzi Academy, we have been providing training programs for smallholder farmers on best practices. Our contractual requirements include ESG compliance clauses in supplier contracts and mandate adherence to ethical business standards.

Our traceability mechanisms allow us to provide complete product history, ensuring transparency and meeting international sustainability standards through thorough tracking and documentation. We can trace product history in both directions, records include – tree planting dates, seedlings purchase details, chemical and fertiliser applications, harvesting team information, transportation details, and factory processing information.

Additionally, we can withdraw problematic products within 24 hours, and we are capable of full product recall if required. For our smallholder farmers, we group them by region and have a detailed registration system which enables us to identify specific farmer sources for potential issues.

Our Supply Chain Portfolio

Portfolio	Total
Number of Kakuzi smallholder farmers within the supply chain.	3,901
Number of trainings for the smallholder farmers/suppliers	174
Total investments towards suppliers	Kshs. 66.98 Million

Smallholder training

In 2024, a total of 134 individual farm visits and 40 group training sessions were conducted, focusing on key themes across the production and marketing value chain. Training topics included land preparation, orchard establishment, planting, seedling management, plant health, pest and disease control, irrigation, and pruning. Farmers were also trained on harvesting, post-harvest handling, marketing strategies, price negotiation, supplier engagement, and compliance requirements.



Case study: Small holder avocado supply chain

Growing Together

Growing with Purpose: Madrine's Journey to Success Through Kakuzi's Smallholder Programme

Madrine Muthoni Kiarie, owner of Karithithi farm in Embu County, is a smallholder avocado farmer working in partnership with Kakuzi.

Madrine started her avocado farming initiative in 2019 after inheriting the farm from her late father. "I work closely with Kakuzi, who provided me with seedlings, extension officer support, and guidance on best farming practices," she said. She has about 100 avocado trees and has delivered nearly 6,000 kilogrammes of produce to Kakuzi through the smallholder farmer programme.

Besides farming, Madrine is also a teacher and agricultural consultant. "I help farmers by sharing the knowledge and techniques I've learned from my experience with avocado farming. I'm particularly proud of how I have improved my farm's productivity by supporting Kakuzi's extension officers, who have helped me manage challenges like fruit flies and optimise my crop production," she said.

By being part of Kakuzi's supply chain, Madrine has significantly improved her farming business due to the technical support she has been receiving from the company. Kakuzi has sent regular extension officers to her farm to guide her on best farming practices.

In addition, she has benefited financially since her avocados are delivered to Kakuzi, with last season

delivering around 6,000 kilos of avocados. "Kakuzi offers competitive pricing and provides annual bonuses, which have been quite good," she stated.

Madrine added that she has learned advanced farming techniques and gained confidence in managing her farm effectively. Additionally, market stability has guaranteed reliability as the process eliminates middlemen and potential exploitation.

"These benefits have transformed my farming from a basic family inheritance to a professional, productive agricultural enterprise," she said, adding that Kakuzi's support

has been instrumental in her farm's success and growth. Through her regular support from extension officers, Madrine is now skilled in proper pruning techniques, fruit quality improvement, pest control, manure application, and optimal fruit production methods.

As a result of the smallholder farmer programme, Madrine's avocado market access has improved due to eliminating dependency on middlemen. In addition, there are now direct sales channels with transparent pricing, guaranteed buyers for produce, reduced risk of market exploitation, and a stable market for agricultural output.



6,000 Kg
of fruit delivered to
Kakuzi Plc last season

Material Issue 6: Environment and Climate Action

Kakuzi fosters environmental conservation and drives climate action through strategic initiatives that promote sustainability, reduce environmental impact, and address climate change challenges. Some of these initiatives include:

- Integrated Pest Management
- Climate Resilience Initiatives
- Wastewater Management and Wetland Conservation
- Circular Economy
- Practices Efficiency
- AgTech Innovations and Drone Use

1. Integrated Pest Management

We have adopted an integrated pest management (IPM) strategy that prioritises biological products over conventional chemical pesticides. This approach helps reduce our environmental footprint and supports biodiversity across our operations. We continue to invest in sustainable farming practices that align with global environmental frameworks, reinforcing our commitment to responsible agriculture.

Key IPM Measures in Place at Kakuzi

Under our IPM programme, we have adopted several layers of pest and disease management practices.

Monitoring and Surveillance

We employ a comprehensive monitoring and surveillance system to support early detection of pest populations and diseases in plantations. Regular scouting is conducted alongside pheromone traps, sticky traps, and light traps, which help identify pest prevalence. The data collected from these surveillance activities is analysed to determine intervention thresholds. Following this approach, we take action only when necessary, reducing the risk of overusing control methods.

Biological Control

This involves introducing and conserving beneficial insects, such as natural predators and parasitoids, which help regulate harmful pest populations. For example, ladybirds are used to manage aphid infestations, while parasitic wasps are introduced to control fruit flies.

Cultural Practices

Cultural practices are also a vital component of pest and disease management. These include crop rotation, pruning, and maintaining field sanitation to eliminate potential breeding grounds. The timely removal of fallen or infected fruit and leaves is critical in preventing the spread of diseases across plantations.



Mechanical and Physical Controls

Mechanical and physical controls are applied where suitable. This includes using protective barriers, nets, and manually removing pests. Additional measures, such as mulching and ensuring proper drainage, are implemented to eliminate conditions favourable for pests like weevils and nematodes.

Chemical Control (As a Last Resort)

Chemical control is considered only as a last resort. Pesticides are applied strictly when pest populations surpass established economic thresholds. Kakuzi adheres to international best practices and Maximum Residue Limits (MRLs) to maintain compliance and safety. Furthermore, a well-planned pesticide rotation schedule is followed to minimize the risk of resistance development among pests.

Soil and Crop Health Management

Maintaining soil and crop health is foundational to pest and disease management at Kakuzi. Healthy crops are naturally more resilient against pests and diseases. To support this, the company emphasises balanced fertilisation, proper management of organic matter, and regular soil testing. These practices collectively enhance plant vigour and sustainability across all operations.

2. Climate Resilience Initiatives

Flood Controls

In response to the impacts of climate change, we have addressed the challenges of excessive rainfall, which often leads to flooding and fungal diseases. We have constructed drainage trenches to mitigate these risks, manage water flow, and prevent soil erosion. Additionally, we have implemented predictive weather models, enabling us to take proactive measures that minimize the impact of adverse weather conditions on our operations.

Water Resource Management

Water management is essential to our operations, especially given our reliance on 19 dams that supply water to various parts of the business. To improve water use efficiency, we have piloted a cloud-based application with sensors in our avocado section that monitor soil moisture levels accurately. These sensors provide real-time data, allowing us to schedule irrigation more effectively and make certain that water is used only when needed.

Alongside the sensor system, we have introduced automated irrigation processes that adjust schedules based on real-time data, further reducing water waste. We also implement specific water management strategies tailored to the physiological needs of our crops at different stages, such as flowering, fruit maturation, and post-harvest. As the pilot phase progresses, we plan to expand the use of these sensors to additional areas, which we expect will result in significant water savings.

Our goal is to reduce water usage while maintaining healthy crops. These efforts have proven effective, as demonstrated by the 30% reduction in water use per hectare over the past year.

3. Wastewater Management and Wetland Conservation

At Kakuzi, we take pride in our responsible wastewater management practices, particularly at our avocado packhouse and macadamia factory. To treat wastewater, we have constructed wetlands that filter and treat the water before it is released into the environment. Our compliance team regularly monitors these wetlands to

ascertain that the water meets environmental standards before discharge.

The wetlands are designed with multiple chambers that treat water sequentially. Various plant species within these wetlands absorb harmful elements, making certain that the water released is safe for surrounding ecosystems, especially the nearby forestry. We continuously check the effectiveness of this system and are pleased with the positive outcomes, which confirm that our wetlands are functioning as intended.

4. Circular Economy Practices

We are continuously adopting circular economic principles across our operations to minimise waste and maximise resource efficiency. Our commitment to sustainability extends beyond the core production processes and includes innovative waste management solutions that support environmental and economic objectives.

Macadamia Division: Circular Economy in Action

The division delivers Kakuzi's circular economy strategy by transforming macadamia byproducts into valuable resources. Rather than treating shells as waste, we repurpose them in ways that enhance sustainability and operational efficiency.

Over 500 tonnes of macadamia shells are composted into organic manure each year. When applied back to the orchards, this compost improves soil fertility, boosts microbial activity, and enhances moisture retention, leading to visibly healthier trees and increased nutrient uptake.

Meanwhile, 1,000 tonnes of macadamia shells are put to productive use. A portion fuels our boiler systems, generating steam to dry nuts during processing, thereby reducing fuel costs. The shells also pave internal roads, minimising mud buildup around facilities. Excess shells are sold to external processors for energy generation, contributing to revenue diversification.

Through these integrated approaches, the division closes resource loops, reduces environmental impact, and underscores Kakuzi's commitment to sustainable agribusiness.



Case study: Circular Economy

Growing Together


The macadamia husk, which is typically considered a waste product, is repurposed into a valuable energy source.



Recycling of Macadamia Shells for Energy

Recycling macadamia shells for energy as an initiative has enhanced the energy efficiency at Kakuzi and contributed to sustainability through waste management and environmental conservation.

We produce various macadamia products, with the kernel being the primary export product. The macadamia shell, which is typically considered a waste product, is repurposed into a valuable energy source.

Once dried, the shell is used as a fuel source for heating water and drying the nuts. The energy produced from the shell is then utilised to heat the water in boilers, which in turn generate hot air to dry the nuts.

Using shells as a biomass fuel avoids cutting down trees for firewood, making it an eco-friendly energy source. Additionally, we supply excess shells at 13 KShs per kilo to other industries to support their energy needs. This contributes to energy sustainability and reduces the carbon footprint by substituting traditional firewood or fossil fuels with renewable biomass. All these, in turn, contribute to reducing carbon emissions and mitigating climate change.

In line with the principles of a circular economy, we effectively integrate waste management practices within our operations by turning what would otherwise be waste (shell) into valuable resources.

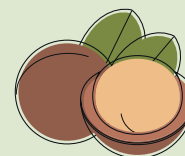
By using biodegraded organic macadamia shells as fertiliser, we significantly reduce our reliance on inorganic chemical fertilisers, a move that is crucial for the long-term health of our soils.

Our focus is on staying competitive in an evolving market, particularly with the rise of technological advancements in macadamia production. We plan to invest in technology and uphold market dominance as the industry shifts toward increased automation and artificial intelligence. This includes adopting AI technology to streamline production processes and help them run effectively and efficiently, even as global players, particularly China, become major competitors in macadamia production.

We plan to develop a biochar production project using macadamia shells in the near future. Biochar, a product obtained from biomass via low-oxygen heating, improves soil quality by retaining moisture, preventing soil erosion, and reducing nutrient leaching.

The development of biochar production from macadamia shells represents a forward-thinking innovation that aligns with global sustainability goals. The company anticipates that this initiative will further reduce the need for chemical fertilisers and enhance soil health, marking a significant step forward in both agricultural sustainability and carbon footprint reduction.

we supply excess shells at 13 KShs per kilo to other industries to support their energy needs.





Case study: Circular Economy

Growing Together

Avocado Division: Organic Waste Utilisation



Our avocado division employs a sustainable approach to managing organic waste, particularly the branches and leaves generated during pruning. We recycle 200 tonnes of pruned avocado branches annually, using them as mulch to retain soil moisture and prevent erosion. Instead of discarding these materials, we leave them on the ground to decompose naturally, enriching the soil with nutrients and enhancing soil health. This also promotes the growth of beneficial bacteria and fungi, which support healthier crops and better moisture retention, particularly during hot weather. The practice of mulching with pruned material has proven to be an effective moisture conservation strategy.

Waste Paper and Packaging Recycling

We are also working on improving our wastepaper management processes, particularly concerning the cartons used in packaging products. These cartons are collected by the suppliers, who take them back for recycling. This closed-loop recycling system minimises waste and supports the reuse of materials in the production process.

Oil Packaging: Exploring Return and Recycling Options

We are exploring a return policy for our oil packaging in line with our circular economy efforts. The aim is to encourage consumers to return empty bottles for recycling, thus reducing plastic waste and supporting the circular reuse of packaging materials. This initiative is in the early stages, and we are exploring the logistics and infrastructure needed to implement this system.

5. Operational Efficiency

Energy usage remains a critical component of our sustainability efforts. While we have set targets to reduce power consumption and transition to more renewable energy sources, we have faced challenges due to unanticipated power cuts and energy interruptions. For example, in our processing plants and packhouses, these interruptions sometimes force us to rely on fuel-powered generators, which hinder our ability to meet energy reduction targets.

Despite these challenges, we continue to explore innovative solutions to minimise our carbon footprint. One such measure is our ongoing optimisation of tractor usage in the field. In partnership with our teams, we have identified opportunities to reduce diesel consumption by streamlining tractor operations. For instance, we have explored combining applications of fertilisers and pesticides, such as applying foliar fertilisers alongside pest control treatments, reducing the need for additional tractor hours and fuel consumption. This project began in 2024 and is already showing promising results as we continue to monitor diesel usage and fuel efficiency.

6. AgTech Innovations and Drone Use

In 2024, we initiated a pilot project for drone spraying pesticides. This project, which started in the livestock and arable departments, aims to reduce the carbon footprint associated with traditional tractor-based pesticide application.

- **Pilot Programme**– We are currently working with a service provider to test drone technology for foliar pesticide spraying, which is expected to significantly reduce diesel use for tractor operations. This will help us assess the feasibility and benefits before deciding whether to purchase drones or continue working with contractors.
- **Efficiency Gains**– Drones can cover crops more efficiently than tractors, especially when wet conditions prevent tractor use, such as during or after heavy rainfall. By avoiding the need for tractors, we aim to minimise fuel consumption and reduce the environmental impact of our operations.

Carbon Footprint Reduction and Targets

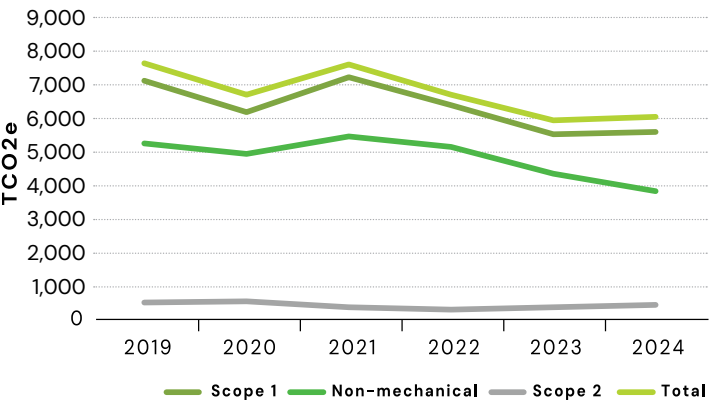
Carbon emissions at Kakuzi PLC has seen as steady decrease over the past four years. This is due to the deliberate focus on emission reduction in all areas of operation, both mechanical and non-mechanical. The graph below shows our carbon emissions reduction journey from 2019 to 2024.

Divisions Carbon Emissions

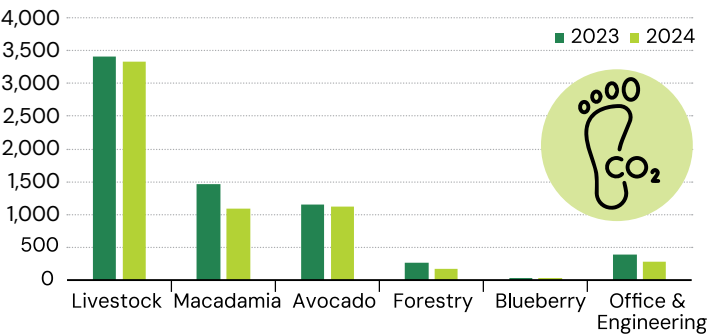
There has been sustained effort across the divisions to continuously find ways of reducing emissions. This is mainly done though the energy committee that is made up of representatives (energy champions) from each division and meets quarterly to deliberate on any areas of focus for carbon emission reduction. This is seen to have borne fruit as seen in the marginal reductions across the board. Below is a graphical representation of the division's portfolio of carbon emissions.

Livestock numbers have reduced steadily from 2022 to 2024 respectively resulting in a 2% emission reduction.

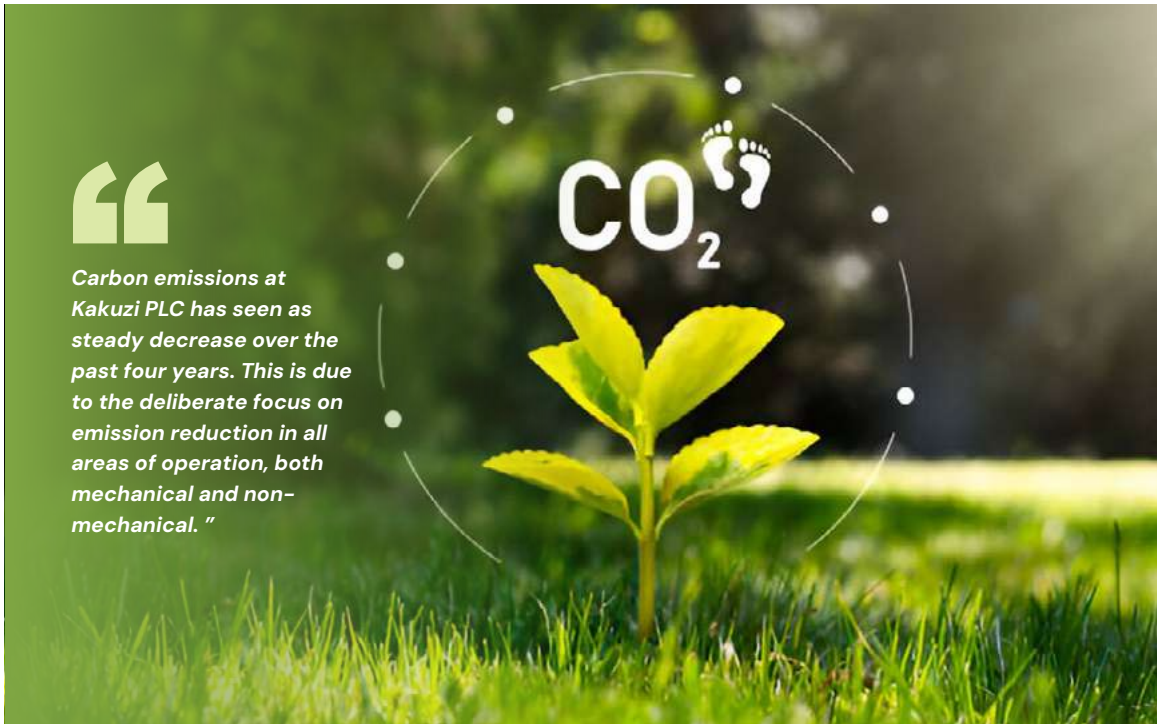
Kakuzi emission trajectory



Total tCO2e



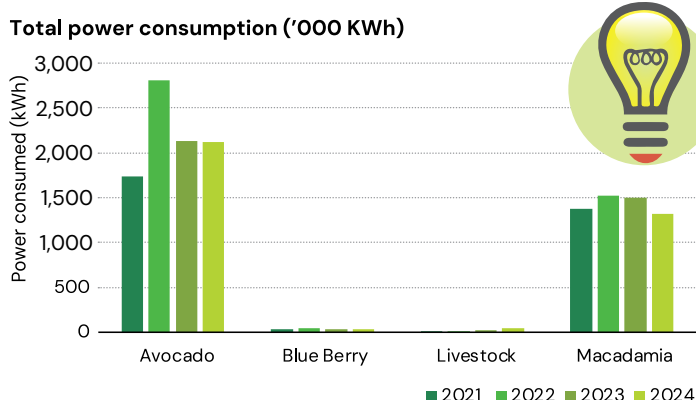
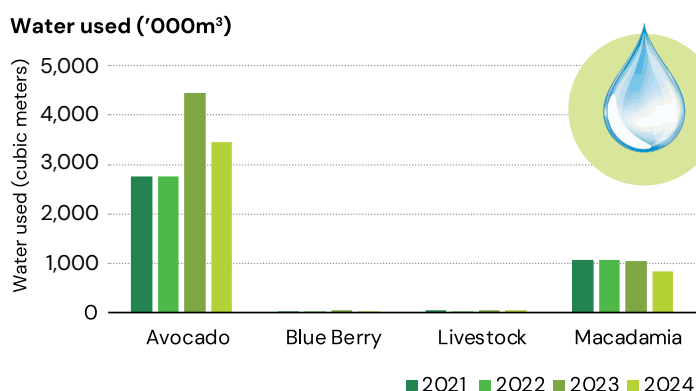
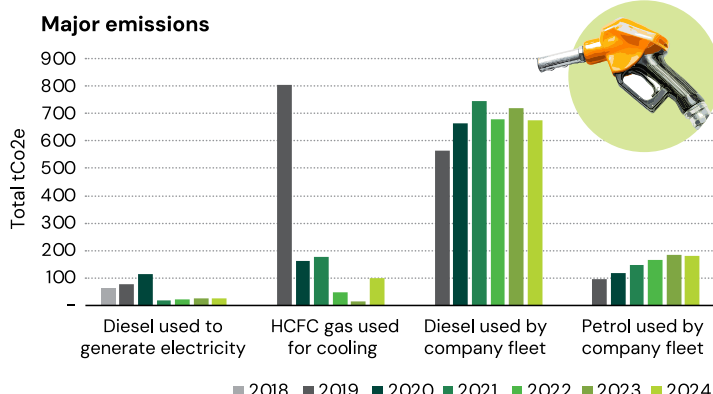
Macadamia improved electricity use efficiency reducing emissions by up to 25% when compared to 2023 as the macadamia shells used in the boiler was instrumental in providing energy to power factory processes. Avocado also reduced emissions by 3% when compared to 2023 the same trend was seen in Forestry, Blueberry, engineering and Office.



Carbon Emissions per Scope 1 & 2

We continue to monitor and manage our emissions across Scope 1, Scope and 2 categories.

- **Scope 1 (Direct Emissions):** These emissions come from Kakuzi-owned vehicles, machinery, and operations that directly emit greenhouse gases.



i) Diesel Consumption

Fuel diesel used for electricity generation increased marginally by 9% from 2023 to 2024 as per the below graph. This was mainly due to the avocado factory and field that required power during the main rainy season which coincided with the most power outage periods. Blue berry operation also recorded a marginal increase due to the increased production and need to run the cold store longer in comparison to 2023.

ii) Water Consumption

Water conservation efforts are sharply in focus due to the ever changing and increasingly unpredictable weather patterns. This has mainly been achieved by increasing the precision of water required. 2024 also was relatively wet for a longer time due to an extended rainy season which did not require extra irrigation. As per the graph below, between 2023 and 2024, both avocado and macadamia recorded marked reductions in volume of water used by 29% and 24% respectively. Water consumption in blueberry and livestock division remained relatively low throughout the years. For blueberries, they are not rainfed, instead, they use a computerized irrigation system which allows the fruit to receive water according to set programmes and guidelines.

- **Scope 2 (Indirect Emissions):** Emissions from the purchase of electricity and other energy sources.

Emissions from electricity from the grid remained stable but a gradual decrease is recorded over the past three years as shown by the bar graph above. Hence, electricity use efficiency has improved by 15% in 2024 compared to 2023.

We aim to increase the share of renewable energy used across our operations to reduce emissions in this area.

- **Scope 3 (Other Indirect Emissions):** This category covers emissions from our value chain, including transportation and waste disposal. We are working with suppliers and stakeholders to improve the sustainability of our supply chain and reduce Scope 3 emissions. The calculation of the 2024 scope 3 emissions is currently underway and yet to be finalised.



Risks and mitigation measures

Identifying Physical Risks and Opportunities

We categorised the risks based on their financial impact and the likelihood of occurrence. The physical risks most relevant to our agricultural operations were identified as:

- **Floods:** In 2024, excessive rainfall led to flooding in certain flat areas of our farm, which resulted in the development of fungal diseases in crops. We classify this risk as high in both likelihood and financial impact, making it a priority.
- **Droughts:** The lack of rainfall poses a risk to crop production, with a high likelihood and significant financial implications.
- **Cyclones and Destructive Weeds:** Although these risks are moderately likely, they still pose a potential threat to crop health and production, especially considering the changing weather patterns.
- **Wildfires:** We identified wildfires as having a high likelihood, particularly during dry periods when grass and forest areas are more prone to ignition. The financial implications of a wildfire event would be severe.

Mitigation Measures for Physical Risks

To mitigate these risks, we have implemented several strategies:

1. **Flooding Mitigation:** Following the flooding in mid-2024, we made land management improvements, including digging drainage trenches and soil bridging that direct excessive rainwater away from root zones, preventing crop damage.
2. **Weather Stations and Prediction Models:** We have established automated weather stations in two key locations and aim to add more. These stations provide crucial data on weather patterns, allowing us to make informed decisions ahead of time about potential risks, such as fungal diseases or drought conditions.
3. **Early Prediction and Control:** By using advanced prediction models, we can foresee weather-related challenges, such as high humidity or extreme temperatures, that may lead to pest outbreaks or fungal diseases. This allows us to implement preventive measures well in advance.
4. **Community Engagement and Stakeholder Collaboration:** We also align our environmental efforts with the interests of the communities around us. For instance, through our membership in the Pickup Basin (RUA), we actively contribute to the management and conservation of the Thika River by planting trees along its banks. In addition to our internal initiatives, we donate tree seedlings to local communities and schools to encourage afforestation and environmental stewardship.

Our Approach to Climate-related Risks and Opportunities in accordance to the Task Force on Climate-related Financial Disclosures (TCFD)

Being an agri-based enterprise, Kakuzi's operations are inherently vulnerable to climate change impacts, while simultaneously contributing to environmental pressures. Consequently, climate change represents a systemic risk to our business model, directly threatening production stability, supply chain integrity, resource availability, market viability and long-term business continuity. In recognition of this critical risk profile, we are proactively integrating climate considerations into our strategic framework. This includes aligning our operational emissions trajectory and resilience planning with the overarching goal of the Paris Agreement: limiting global temperature increase to well below 2 degree above pre-industrial levels.

Our "Growing Together" strategy proactively addresses escalating food security demands by strengthening four core pillars: climate-smart agriculture, regenerative farming practices, market diversification, and sustainable innovation. This integrated approach optimizes resource efficiency, enhances ecosystem resilience, and scales solutions for local and global impact.

Building upon our 2023 climate reporting baseline, we further aligned our 2024 operations with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This TCFD-specific reporting complements our comprehensive ESG disclosure architecture, which is structured to satisfy Global Reporting Initiative (GRI) standards, IFRS S1 (general sustainability) and S2 (climate-specific) requirements, the Corporate Sustainability Reporting Directive (CSRD), and the UN Sustainable Development Goals (SDGs). This report details our systematic progress in identifying, assessing, and responding to climate-related risks and opportunities. Key advancements include:

1. Strengthened climate governance structures
2. Embedded climate risk management processes into core operations
3. Refined metrics and targets to enhance accountability and track performance against strategic objectives.

1. Governance

At Kakuzi, climate-related governance is systematically embedded throughout the organisational hierarchy, encompassing both strategic oversight at the Board level and operational execution by Management. This integrated approach treats climate considerations as material factors intrinsic to the organisation's long-term resilience and performance.

Ultimate strategic responsibility resides with the Board of Directors. The Board sets the overarching strategic direction, monitors enterprise-wide performance, and explicitly integrates oversight of Environmental, Social, and Governance (ESG) factors, including climate-related risks and opportunities, into its core governance mandate.

Recognising the material impact of climate change on business continuity and value creation, the Board incorporates these factors within the organisation's comprehensive enterprise risk management framework. Specific Board oversight includes regular review and integration of climate-related risks and opportunities within strategic planning processes and ongoing board discussions. To maintain informed oversight, the Board receives bi annual updates on these matters via reports from the Audit & Risk Committee (ARC), which holds a formal mandate encompassing ESG and climate risk within its charter.

Below is a table displaying key Board committees and their responsibilities:

Board Committees	Key Roles
Audit & Risk Committee	Oversight of ESG, including climate-related risks, IFRS/GRI alignment, fraud risk, and reporting.
Nomination & Remuneration Committee	Links executive compensation to sustainability performance; promotes diversity and inclusion.
Independent Human Rights Advisory	Oversees human rights, ethical conduct, grievance mechanisms (e.g., SIKIKA platform).

Operational responsibility for implementing the Board-approved climate strategy is delegated to the Management Team. TFor effective cross-functional coordination and expertise, Management established a dedicated committee in 2023, which remained operational through 2024. This group comprises representatives from critical functions including Operations, Legal, Finance, Community Engagement, and Sustainability. The

committee serves as the central operational engine for Kakuzi's climate response. Its core functions involve systematic identification, prioritization, and rigorous evaluation of climate-related risks and opportunities across the business.

The committee convenes twice a year to execute its responsibilities. Key activities coordinated by this team encompass managing essential ESG disclosures, overseeing the collection and validation of climate-related data, conducting forward-looking assessments for potential climate impacts, and developing concrete adaptation and mitigation strategies.

2. Strategy

Kakuzi Plc has formally integrated the Task Force on Climate-related Financial Disclosures (TCFD) framework into its strategic risk management processes, undertaking a systematic assessment of climate-related risks and opportunities. This rigorous analysis involved a dual-axis categorization: risks and opportunities were first classified by their fundamental nature, distinguishing between physical risks (direct impacts from changing climate patterns, such as extreme weather events or chronic shifts in temperature/precipitation) and transitional risks (arising from societal, regulatory, or market shifts towards a low-carbon economy, including policy changes, technological disruption, or reputational impacts). Subsequently, each identified item was evaluated based on its potential

financial/material impact and assessed likelihood, utilizing management's expert judgment alongside relevant climate data and scenario analysis.

For strategic alignment and actionable insights, these categorised risks and opportunities were further analysed across three distinct, forward-looking time horizons. The below timeframes were deliberately calibrated to synchronize with Kakuzi's core financial forecasting and strategic planning cycles.

This temporal alignment is particularly critical given the organization's significant investment in bearer crop agriculture, where the extended biological maturation periods and multi-decade economic lifespans of crops like avocados, macadamia, and tea necessitate deeply embedded, long-term risk and opportunity planning within the investment decision-making framework. Consequently, the assessment provides a structured foundation for integrating climate considerations into both immediate operational resilience and long-term capital allocation strategies.

Time – Horizon	Duration
Short	0–3 years
Medium	3–10 years
Long	Over 10 years

Key Risks and Opportunities Identified

Risk Category	Climate-related Risk	Anticipated Opportunities
Transition Risk	Regulatory pressures from global markets demanding verified low-carbon, traceable produce.	Expansion into carbon-conscious markets (e.g., U.S. avocado market).
	Litigation risks arising from non-compliance with climate standards.	Investment in biochar for carbon offsets (supports compliance and mitigation).
	Policy shifts affecting export markets and carbon pricing.	Circular economy practices (e.g., macadamia shell biofuel and fertilisers) to reduce exposure to carbon costs.
	Temperature extremes affecting fruit development and productivity.	Adoption of climate-smart practices like biochar use and crop diversification.



The table below shows the level of impact to the risks and the anticipated implications for Kakuzi

Impact Level	Risks Identified	Descriptions	Implications for Kakuzi
High	- Exposure to litigation - Stringent emissions reporting obligations - Changing regulatory landscape - Stakeholder pressure - Energy price volatility - Increased disease and pest and /or parasite pressure - Deteriorating soil health - Community destabilization, accusations infringement	- Increase in climate-related legal action - Tougher disclosure rules - Climate-related trade barriers - ESG expectations from investors and buyers - Rising fuel and electricity costs	- Legal costs and reputational harm - Market exclusion if standards are unmet - Increased compliance burden - Export disruption - Higher operational costs
Medium	- Power outages and fluctuations - Supply chain disruption - Labour issues due to climate - Policy uncertainty	- Weather disrupting energy supply - Partners vulnerable to emissions limits - Extreme weather affecting workers - Unclear local policies on climate risk	- Operational inefficiencies - Delayed product delivery - Worker productivity concerns - Strategic delays in planning
Low	- Physical infrastructure damage - E-waste regulations - Data loss/telecom breakdown - Changing customer behaviour	- Asset damage in storms/floods - Regulation on electronics disposal - Network failures in bad weather - Shifting sustainability expectations	- Maintenance cost increases - IT and digital disruptions - Reputational risks - Loss of market confidence

Climate-related opportunities are critical to Kakuzi's operations because they represent strategic pathways to enhance resilience against climate impacts, optimize resource efficiency, reduce operational costs, mitigate environmental risks, strengthen market positioning, comply with evolving regulations, and unlock access to green finance and markets, thereby ensuring long-term sustainability and competitive advantage. The comprehensive assessment identified several key opportunity domains:

- 1. Water Scarcity Mitigation & Efficiency:** Addressing water scarcity concerns presents significant opportunities to deploy advanced water-efficient technologies and services. This includes implementing large-scale water recycling and purification systems to maximize resource utilization, investing in smart irrigation solutions (such as precision drip systems utilizing soil moisture sensors and weather data) alongside high-efficiency irrigation pumps, developing and cultivating drought-resistant crop varieties, and optimizing rainwater harvesting infrastructure across existing facilities to capture and utilize precipitation effectively.

- 2. Enhanced Production Efficiency & Precision Agriculture:** The adoption of more efficient production processes and technologies offers substantial potential to boost yield while minimizing environmental footprints. Key opportunities include integrating advanced color sorters to reduce waste, leveraging satellite imagery and remote sensing for precision farming (optimizing inputs and monitoring crop health), implementing rigorous soil sampling programs for targeted nutrient management, deploying optimized chemical spray programs utilizing precision application equipment to minimize usage and drift, and pursuing green construction principles for new infrastructure to conserve water, energy, and materials during building.

- 3. Energy Efficiency & Renewable Integration:** Significant gains can be achieved through smart energy-saving technologies and renewable energy adoption. Opportunities encompass constructing or retrofitting facilities towards zero-energy building standards, incorporating highly efficient Heating, Ventilation, and Air Conditioning (HVAC) systems with optimization

controls, and integrating on-site renewable energy resources (such as solar PV). Utilizing sustainable building materials further reduces the embodied carbon of infrastructure projects.

4. **Low-Carbon Transportation:** Decarbonizing the logistics and transportation fleet presents a tangible opportunity. This involves the strategic introduction of electric-powered vehicles, including electric motorbikes for agile operations and larger electric motor vehicles for goods transport, to directly reduce Scope 1 emissions and fossil fuel dependency.
5. **Strategic Stakeholder Collaboration & Roadmap Development:** Proactive engagement and collaboration with diverse state and non-state actors (including government agencies, industry peers, NGOs, and research institutions) at national, regional, and international levels are essential. The objective is to co-develop a common roadmap and leverage shared knowledge, resources, and policy frameworks to accelerate Kakuzi's transition towards a lower-carbon economy.
6. **Disclosure and Reporting:** Enhancing corporate transparency and reputation can be achieved through voluntary reporting on carbon emissions and broader sustainability initiatives. Participation in globally recognized frameworks like the Carbon Disclosure Project (CDP) provides a structured mechanism to benchmark performance, demonstrate commitment, and meet increasing stakeholder expectations for environmental accountability.
7. **Stakeholder Engagement:** Fostering a culture of sustainability requires active internal engagement. Opportunities include encouraging and supporting community members and employees to establish and lead dedicated sustainability committees or "green teams." These platforms empower stakeholders, harness grassroots innovation, and drive behavioral change and project implementation from within the organization.
8. **Carbon Sequestration/Carbon Offset Projects,** capitalize on our land and agroforestry potential by expanding afforestation, reforestation, agroforestry and Jiko Kisasa initiatives to sequester carbon and generate certified carbon credits.

3. Risk Management

Kakuzi proactively manages climate-related risks through a systematic and enterprise-wide approach, fully integrated within its overarching Enterprise Risk Management (ERM) framework. This structured process employs a continuous cycle of identification, evaluation, prioritisation, and mitigation to embed climate considerations into strategic and operational decision-making.

Process Overview

- Risks are scored based on likelihood, potential impact, and time horizon
- Risks are categorised under physical and transition risks per TCFD guidelines
- Risk registers are maintained by the Climate Focus Group and regularly updated
- Management decisions are informed by climate scenarios and subject matter expertise
- External experts are engaged to assess water stress, soil health, emissions, and supply chain exposure

Risk Integration

Climate risk is embedded into business decisions including:

- Land and crop investments
- Infrastructure development
- Procurement and supplier due diligence
- Budgeting for mitigation actions (e.g., renewable energy, irrigation efficiency)
- Community engagement on shared environmental vulnerabilities

Risk Management Approaches

Kakuzi's approach to climate risk is characterized by its holistic integration within the established ERM framework. Specific climate-related risks are mapped to the business units and processes they impact. For each identified risk, comprehensive mitigation measures are developed, documented, and implemented.

These measures are derived from internal operational best practices and templates, ensuring practicality and alignment with Kakuzi's overall risk appetite and strategic objectives. This structured approach makes climate risk mitigation an inherent component of managing the company's overall risk profile, rather than an add-on.

Risk	Impacted Areas	Mitigation Measures
Transition Risks		
1. Exposure to litigation	Entire Operations	- Proactively reduce carbon emissions across all operations. - Align with international legal frameworks to minimise exposure to climate-related lawsuits. - Conduct regular legal compliance audits.
2. Stringent emissions reporting obligations	Entire Operations	- Replant forests and restore damaged ecosystems to act as carbon sinks. - Adopt third-party verified emissions accounting and reporting. - Deploy monitoring tools and conduct annual emissions reviews.
3. Changing regulatory landscape	Marketing, Farm operations, Factory operations	- Invest in low environmental impact inputs and alternatives to chemical fertilisers. - Train compliance teams to interpret and implement changing regulatory requirements. - Strengthen export documentation to reflect traceability and sustainability.
4. Stakeholder pressure from regulators and financiers	Entire Operations	- Engage local communities through consultation and partnership projects. - Increase socialisation efforts with neighbouring communities. - Roll out proactive ESG communication strategies to stakeholders.
Physical Risks		
5. Physical infrastructure damage	Factories, Offices, Technology equipment, transport facilities	- Upgrade infrastructure to meet climate-resilient building codes. - Physical assets are insured against climate-related risks. - Regular risk assessments and reinforcement of weak points (e.g., roofs, drainage).
6. Power outages and fluctuations	Factories, Offices, Irrigation systems, Domestic installations	- Expand use of solar energy for homes, offices, and irrigation systems. - Install backup power systems such as batteries and generators. - Work with utility providers to stabilise supply in vulnerable areas.
7. Cooling system failures	Server Room, Offices, Storage facilities	- Explore and implement solar-powered cooling systems. - Upgrade air circulation systems to energy-efficient standards. - Use automated temperature monitoring for early fault detection.
8. Resource scarcity	Server Room, Offices, Storage facilities, Medical points	- Implement water harvesting and storage solutions. - Reduce resource dependency through circular economy practices. - Train staff on efficient resource usage protocols.
Market and Reputational Risks		
1. Market Export/ Import Regulation & Trade Barriers	Marketing, Farm Operations, Factory Operations	- Engage the Ministry of Agriculture and Trade actively. - Maintain compliance with EU/US climate and traceability requirements. - Certifications (e.g., GLOBALG.A.P., Rainforest).

Risk	Impacted Areas	Mitigation Measures
2. Competition from Climate-Advanced Countries	Marketing, Farm Operations, Factory Operations	- Develop long-term buyer contracts. - Improve product branding for climate-conscious consumers. - Invest in quality assurance and market intelligence.
3. Supply Chain Disruption	Marketing, Farm Operations, Factory Operations	- Diversify shipping and logistics partners. - Map risk-prone areas across the chain. - Build climate resilience among suppliers.
4. Changing Customer Behaviour & Market Preferences	Marketing, Farm Operations, Factory Operations	- Adopt sustainable packaging and low-carbon logistics. - Improve ESG disclosures to meet buyer expectations. - Strengthen brand equity through climate leadership.

4. Metrics and Targets

Kakuzi monitors a range of climate-related metrics to track progress and identify areas for action. Our data collection systems continue to improve, enabling better scenario modelling and future benchmarking.

Key Metrics Monitored

Indicator	Status
Scope 1 & 2 Emissions	Tracked since 2015; reductions through energy efficiency and fuel-switching
Scope 3 Emissions	Measured for the first time in 2023; expanded in 2024 to cover fertilizer, packaging, transportation
Water Use Efficiency	Smart water monitoring installed in major crop blocks (avocado, macadamia)
Waste and Recycling	Organic composting and plastic reduction programmes underway
Soil Carbon Sequestration	Pilot study launched in 2024 in conjunction with external experts

Future Targets (Under Review for 2025)

- Net zero roadmap with interim GHG reduction targets
- Scope 3 engagement strategy with smallholders and suppliers
- Achieve 40% renewable energy use by 2028
- Water consumption intensity targets per crop unit
- Establishment of carbon offset and sequestration baselines

Our long-term aim is to align our metrics with science-based targets (SBTi), and emerging disclosure frameworks such as the IFRS S2 Sustainability Standards and TNFD (for nature-related risks).

Next Steps

Kakuzi will continue strengthening its climate disclosure and risk response strategy in 2025 through the following priorities:

- Conducting quantitative climate scenario modelling aligned with Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs).
- Developing a climate risk-adjusted capital investment framework.
- Finalizing and implementing climate-related Key Performance Indicators (KPIs) and targets.
- Expanding Scope 3 greenhouse gas emissions tracking across the entire value chain.
- Enhancing stakeholder engagement with regulators, local communities, suppliers, and customers on climate adaptation.

We continue to implement measures for transparency and continuous improvement in climate governance, strategy, and performance tracking in order to future-proof our operations, contribute to national and global climate goals, and create shared value for all stakeholders.

Stakeholder value and engagement

Our goal is to foster transparent and meaningful engagement with all stakeholders. We recognise that their insights and concerns are vital to the Company's sustainability and ethical operations, so we have measures for them to voice their issues.

Operational-Level Grievance Mechanism (OGM)

In alignment with the United Nations Guiding Principles on Business and Human Rights, Kakuzi has an Independent Operational-Level Grievance Mechanism. This mechanism provides our stakeholders, including employees and community members, with accessible avenues to voice their concerns. We engage our employees through this mechanism, thematic committees, and anonymous surveys to understand our impacts and make improvements. The Company has an ongoing gender mainstreaming process across business functions and will establish more engagement platforms as required.

Independent Human Rights Advisory Committee

Kakuzi has an Independent Human Rights Advisory Committee (IHRAC) to strengthen governance structures. This committee comprises experienced individuals from the human rights sector, both locally and internationally, as well as representatives of our stakeholders. The IHRAC provides independent oversight and guidance on human rights matters, ensuring that our policies and practices uphold the highest standards of respect and integrity.

Stakeholder Consultations

We actively engage in stakeholder consultations to develop and refine initiatives such as the SIKIKA Operational Grievance Mechanism. These consultations involve detailed processes to gather feedback and make certain that our mechanisms are effective and trusted by those they are designed to serve.

Stakeholder Engagement Matrix

Stakeholder	Why we communicate	How we engage	Outcome
Farmers & Suppliers	- 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.	- Face-to-face meetings - Organised conferences - Surveys - Correspondences (invoices, LPOs, Memos), topical forums (e.g., changes in tax)	- Service Level Agreements - Memorandum of Understanding (MoU)

Stakeholder	Why we communicate	How we engage	Outcome
Employees	- 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 make all Company policies available to employees for their reference whenever required. - To mainstream human rights in the workplace. - To agree on terms and conditions of employment.	- E-mail - Face-to-face interactions - Video conferencing - Surveys - Phone calls - Messages - Newsletters - Internal platforms - Management briefs - Collective Bargaining Agreements	- 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 safe workplace environment guidelines - Development of a Diversity, Equity and Inclusion Policy - Implementation of CBA
Investors	- For 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.	- Newsletters - Investor briefings - Emails, reports, presentations and letters - Annual General Meetings (AGMs) - Information notices - Senior management meetings and calls - Participation in conferences	- 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
General Public	- To be transparent and accessible. - 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, and provide an email for any query that needs to be addressed. - Utilise various communication channels to share Kakuzi's story, products, and services as part of brand positioning. - To support the roll-out of social projects and disbursement of state aid to beneficiaries.	- Media briefings - Information notices - Meetings - Social media handles - Email queries and website enquiries	- 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 Runner-Up: Avocado Person of the Year: MD Chris Flowers 1st Runner-Up: Large Scale Orchards 1st Runner-Up: Large Scale exporter

Stakeholder	Why we communicate	How we engage	Outcome
Media	▪ To share our quarterly corporate financial results, business strategies, and progress in sustainability. ▪ To promptly answer queries about Kakuzi's newsworthy information. ▪ To update the media with Kakuzi information relevant to stakeholders. ▪ Enhance top-of-mind awareness of the brand. ▪ Build credibility in our brand and create awareness about our events and initiatives, i.e., OGM, IHRAC.	▪ Interviews ▪ Media/press briefings ▪ Kakuzi Financial and Sustainability reports ▪ Corporate events and launches ▪ Strategic partnerships ▪ One-on-one engagement sessions	▪ Improved media ratings ▪ Enhanced PRVs ▪ Increased media impressions ▪ Seamless native advertising ▪ Accurate positioning of the Kakuzi story, strategy and performance ▪ Objective reporting about our brand ▪ Reaching new customers ▪ Enhanced competitiveness
Regulators/ Authorities	• To endeavour to comply with all relevant laws and regulations. • To endeavour to have Kakuzi's expertise and views integrated into the development and implementation of various relevant regulations and policies. • To support the development of business policies beneficial to the economy, the society and the environment. • To foster constructive dialogue around innovation. • To undertake joint programmes with relevant regulators and authorities. • To partner with governments to support the economic growth of the region and our countries sustainably and ethically. • To undertake joint programmes with county and local governments.	• Correspondences (letters, memos), topical forums (e.g., changes in tax) • Reports • Face-to-face meetings • Phone calls • Organised meetings/ Conferences • Audits and Risk Assessments	• Alignment with the regulatory landscape • Enhanced thought leadership • Increased conversation leadership on topical regulatory issues, i.e., green finance, climate change, etc. • Implementation of audit and risk assessment findings

Global recognition and awards

Kakuzi has received numerous industry accolades for its dedication to sustainability, workplace safety, and agricultural best practices. These honours strengthen our position as a pioneer in Kenya's agribusiness industry and demonstrate our constant commitment to product quality, workplace safety, and ethical business practices.

1. National Occupational Safety and Health Award 2024



The Company was recognised as the Overall Winner in Occupational Safety and Health (OSH) Practice in the Agricultural Sector at the National Annual Occupational Safety and Health Awards 2024. This award was presented during the World Day for Safety and Health at Work Celebrations at Nyayo Gardens in Nakuru County. It was organised by the Ministry of Labour and Social Protection through the Directorate of Occupational Safety and Health Services (DOSHS).

This award was conferred after an extensive assessment by DOSHS, evaluating multiple safety criteria, including:

- Workplace risk assessments
- Workplace hazard identification and control
- Accidents and incidents prevention, control, management, and reporting
- General workplace safety culture

Kakuzi's success in this area is attributed to its employees' dedication to workplace safety, active participation in joint safety and health committees, and implementation of rigorous safety policies.

2. Avocado Industry Excellence Awards 2024

Kakuzi PLC's outstanding contribution to Kenya's avocado sector was recognised at the Avocado Industry Excellence Awards 2024, hosted by the Avocado Society of Kenya (ASK). The awards were presented at a Networking Gala Dinner at the Argyle Grand Hotel in Nairobi, celebrating the best players in the industry.

In the five categories for which Kakuzi was nominated, the company secured the following accolades:



Kakuzi Managing Director Chris Flowers was recognised as the second overall winner in the Avocado Person of the Year category. This award acknowledges his exceptional leadership in steering the Company's innovation, market diversification, and commitment to sustainable agricultural development.

Kakuzi has significantly expanded its avocado orchards over the years, leading to a 24% increase in production volumes over the last five years. The Company's orchards now cover 987 hectares.

The Company's state-of-the-art packhouse was recognised in the Packhouse Category (2nd Place) for proper handling, advanced sorting, and thermal storage systems in its cold rooms to maintain fruit freshness and export quality. This commitment

has enabled Kakuzi to increase its pack-out rate from 80% to 85%, ensuring that only high-quality avocados reach customers.

Additionally, the Kakuzi Nursery in Murang'a was recognised in the Growers in Nursery and Seedlings Category (3rd Place) for supplying high-quality avocado seedlings to farmers, contributing to Kenya's avocado production growth.

Beyond large-scale production, Kakuzi remains committed to supporting smallholder farmers through technical extension services, free maturity testing, and training in good agricultural practices. The Company continues reinforcing Kenya's position as a leading avocado producer in international markets such as Europe, China, and the Middle East.

Tax approach

Kakuzi prioritises an open tax management approach, guaranteeing rigorous compliance with relevant regulations and prompt payment of tax dues. The business understands that non-compliance can have serious repercussions, including monetary fines, harm to its brand, or even limitations on its ability to operate in important markets.

Understanding that many markets have distinct legal and regulatory frameworks, Kakuzi keeps abreast of worldwide tax laws to reduce risks. The business guarantees that its activities align with domestic and international tax regulations by incorporating tax compliance into its corporate strategy.

Risk management and governance in tax compliance

We have taken several proactive steps to guarantee efficient control over tax-related matters, including:

1. **Complete Compliance with Tax Regulations** – We adhere to all applicable local and international tax rules and refrain from tax avoidance tactics.
2. **Risk Management Strategies** – The business consults outside tax professionals and auditors for advice on intricate tax issues and keeps up with changing tax regulations.
3. **Monitoring and Mitigation of Tax Risks** – Kakuzi uses technology to monitor changes to regulations, seeks expert advice to confirm compliance, and funds employee training to increase internal tax management capability.
4. **Stakeholder Engagement** – By implementing the required adjustments to tax systems, making investments in digital transformation, and adjusting business procedures appropriately, Kakuzi actively addresses stakeholder concerns around tax compliance.

The Company supports its long-term sustainability

objectives by integrating these governance structures into its operations, ensuring that it upholds a high standard of financial responsibility.

Kakuzi's Tax Performance in 2024

A business's annual tax remittance is a crucial sign of its financial stability and compliance efficacy. In 2024, Kakuzi paid Kshs. 51 million in income taxes.

Using Tax Compliance to Promote Sustainability

In addition to focusing on compliance, Kakuzi's tax policy is strongly related to its sustainability mission. The business makes sure that tax planning promotes:

- **Environmental Sustainability and Biodiversity Conservation** – Kakuzi invests in projects that help biodiversity and environmental conservation by offering tax benefits.
- **Community Development** – A percentage of its tax contributions goes towards indirectly assisting local communities in line with the company's CSR objectives.
- **Technologies and Capacity Building** – Kakuzi lowers compliance risks while increasing operational efficiency by utilising tax compliance technologies and educating employees on tax management.

Appendix

Kakuzi Plc GRI Standards 2024

Statement of use	Kakuzi Plc has reported in accordance with the GRI Standards for the period 1st January to 31st December 2024.
GRI 1 used	GRI 1: Foundation 2021

General Disclosures (GRI 2)

Disclosure Title	Section Title	Disclosure Reference	Omission
2-1 Organisational details	Kakuzi at a Glance	Pg 4 – 5	
2-2 Entities included in the organisation's sustainability reporting	About Kakuzi Plc	Pg 2 – 3	
2-3 Reporting period, frequency and contact point	About this Report	ESG Report Pg ii	
2-4 Restatements of information	Disclosures	Not explicitly mentioned.	
2-5 External assurance	Disclosures	Not explicitly mentioned.	
2-6 Activities, value chain and other business relationships	Kakuzi Strategy	Pg 13	
2-7 Employees	Kakuzi at a Glance	Pg 5, 15, 17, 45–46 Annual Report Pg 4, 15, 35,	
2-8 Workers who are not employees	Workforce recruited from community	Pg 44	
2-9 Governance structure and composition	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-10 Nomination and selection of the highest governance body	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-11 Chair of the highest governance body	Corporate governance and integrity	Pg 23 Annual Report Pg 21–22	
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-13 Delegation of responsibility for managing impacts	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-14 Role of the highest governance body in sustainability reporting	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-15 Conflicts of interest	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-16 Communication of critical concerns	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-17 Collective knowledge of the highest governance body	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-18 Evaluation of the performance of the highest governance body	Corporate governance and integrity	Pg 21 – 24 Annual Report Pg 9, 19, 21 –36	
2-19 Remuneration policies	Corporate Governance	Pg 23, 29 Annual Report Pg 28, 33, 38	
2-20 Process to determine remuneration	Corporate Governance	Annual Report Pg 38	

Disclosure Title	Section Title	Disclosure Reference	Omission
2-21 Annual total compensation ratio	Corporate Governance	Annual Report Pg 95	
2-22 Statement on sustainable development strategy	The Kakuzi Strategy	Pg 13 Annual Report Pg 14, 27	
2-23 Policy commitments	Policies & Integrity Practices	Pg 18, 21, 22, 24, 27, 29 Annual Report Pg 30–32	
2-24 Embedding policy commitments	Policies & Integrity Practices	Pg 24 Annual Report Pg 30–32	
2-25 Processes to remediate negative impacts	Grievance Mechanisms – SIKIKA	Pg 28–30	
2-26 Mechanisms for seeking advice and raising concerns	Risk Management	Annual Report Pg 31, 35	
2-27 Compliance with laws and regulations	Kakuzi at a Glance	Pg 4 Annual Report Pg 27, 34, 35	
2-28 Membership associations	Kakuzi at a Glance	Pg 4, 31	
2-29 Approach to stakeholder engagement	Stakeholder Engagement	Pg 66 –68 Annual Report Pg 34, 35	
2-30 Collective bargaining agreements	Respecting and Promoting Human Rights	Pg 27–30	

Economic Disclosures (GRI 201–207)

Disclosure Title	Section Title	Disclosure Reference (Reference to 2024 reports)	Omission
201-1 Direct economic value generated and distributed	Integrated Report	Annual Report Pg 46	
201-2 Financial implications and other risks and opportunities due to climate change	Risks and mitigation measures	Pg 59 –65 Annual Report Pg 7, 27	
201-3 Defined benefit plan obligations and other retirement plans	Integrated Report	Annual Report Pg 38, 80, 83–85	
201-4 Financial assistance received from government	Integrated Report		Information Unavailable
202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Addressing Workplace Discrimination & Gender Inequality	Pg 29 Annual Report Pg 15	
202-2 Proportion of senior management hired from the local community			Information Unavailable
203-1 Infrastructure investments and services supported	Community Impact	Pg 43, 48 – 52	
203-2 Significant indirect economic impacts	Material Topics ▪ Material Issue 1: Respecting and Promoting Human Rights ▪ Material Issue 2: Product Safety and Quality ▪ Material Issue 3: Employee Welfare, Safety, and Development ▪ Material Issue 4: Community Impact ▪ Material Issue 5: Sustainable Supply Chain Management	Pg 25 –58	
204-1 Proportion of spending on local suppliers	Sustainable Supply Chain Management	Pg 51 – 52	
205-1 Operations assessed for risks related to corruption	Corporate governance and integrity	Pg 21 – 24	
205-2 Communication and training about anti-corruption policies and procedures	Corporate governance and integrity	Pg 24, 29, 51	

Disclosure Title	Section Title	Disclosure Reference (Reference to 2024 reports)	Omission
205-3 Confirmed incidents of corruption and actions taken	The Kakuzi Strategy & Compliance and Transparency		Not reported
206-1 Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	Governance	Not reported.	Not Reported
207-1 Approach to Tax	Tax Approach	Pg 71 Annual Report Pg 46 – 51	
207-2 Tax Governance, Control and Risk Management	Tax Approach	Pg 71 Annual Report Pg 46 – 51	
207-3 Stakeholder Engagement and Management of Concerns related to tax	Tax Approach	Pg 71 Annual Report Pg 46 – 51, 63, 64	

Environmental Disclosures (GRI 301–308)

Disclosure Title	Section Title	Disclosure Reference	Omission
301-1 Materials used by weight or volume	Product Safety and Quality	Pg 30–32, 42	
	Environment and Climate Action	Pg 58	
301-2 Recycled input materials used	Environment and Climate Action	Pg 54 – 56	
301-3 Reclaimed products and their packaging materials	Product Safety and Quality	Pg 30 –31	
	Environment and Climate Action	Pg 56	
302-1 Energy consumption within the organisation	Environment and Climate Action	Pg 56 – 58, 62	
302-2 Energy consumption outside of the organisation		–	Not Applicable
302-3 Energy intensity	Kakuzi Materiality	Pg 58	
302-4 Reduction of energy consumption	Kakuzi Materiality	Pg 56 – 57	
302-5 Reductions in energy requirements of products and services	2024 Key ESG Highlights	Pg 14 –15	
303-1 Interactions with water as a shared resource	2024 Key ESG Highlights	Pg 14 –15	
	Environment and Climate Action	Pg 17–19, 26, 56	
303-2 Management of water discharge-related impacts	Environment and Climate Action	Pg 54	
303-3 Water withdrawal	Product Safety and Quality	Pg 34 – 35	
303-4 Water discharge			Information Unavailable
303-5 Water consumption	Environment and Climate Action	Pg 54	
304-1 Operational sites in or adjacent to protected areas			Not Applicable
304-2 Significant impacts on biodiversity	Product Safety and Quality	Pg 18, 36, 38, 40, 41, 42, 53	
304-3 Habitats protected or restored	Environment and Climate Action	Pg 53	
304-4 IUCN Red List species and national conservation list species		–	Not Applicable

Disclosure Title	Section Title	Disclosure Reference	Omission
305-1 Direct (Scope 1) GHG emissions	Environment and Climate Action	Pg 57 – 58	
305-2 Energy indirect (Scope 2) GHG emissions	Environment and Climate Action	Pg 58	
305-3 Other indirect (Scope 3) GHG emissions	Environment and Climate Action	Pg 58, 65	
305-4 GHG emissions intensity	Environment and Climate Action	Pg 57	
305-5 Reduction of GHG emissions	Environment and Climate Action	Pg 57 – 65	
305-6 Emissions of ozone-depleting substances (ODS)		-	Not Applicable
305-7 NOx, SOx and other significant air emissions		-	Not Applicable
306-1 Water discharge by quality and destination		-	Information Unavailable
306-2 Waste by type and disposal method	Sustainable Supply Chain Management	Pg 51	
	Environment and Climate Action	Pg 53	
306-3 Significant spills		-	Not Applicable
306-4 Transport of hazardous waste		-	Not Applicable
306-5 Water bodies affected by discharges and/or runoff		-	Not Applicable
307-1 Non-compliance with environmental laws and regulations		-	Not Applicable
308-1 New suppliers screened using environmental criteria	Sustainable Supply Chain Management	Pg 51, 52	
	Respecting and Promoting Human Rights	Pg 29, 51	
308-2 Negative environmental impacts in the supply chain and actions taken			Not Applicable

Social Disclosures (GRI 401–419)

Disclosure Title	Section Title	Disclosure Reference	Omission
401-1 New employee hires and employee turnover	Employee Welfare, Safety and Development	Pg 45 – 46	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		-	Information Unavailable
401-3 Parental leave	Employment Policies	-	Information Unavailable
402-1 Minimum notice periods regarding operational changes	Identifying & Addressing Human Rights Risks	Pg 28 – 30	
403-1 Occupational health and safety management system	Health, Safety, and Wellbeing	Pg 45, 46	
403-2 Hazard identification, risk assessment, and incident investigation	Health, Safety, and Wellbeing	Pg 45, 46	

Disclosure Title	Section Title	Disclosure Reference	Omission
403-3 Occupational health services	Health, Safety, and Wellbeing	Pg 45, 46	
403-4 Worker participation, consultation, and communication on OHS	Health, Safety, and Wellbeing	Pg 45, 46	
403-5 Worker training on OHS	Health, Safety, and Wellbeing	Pg 45, 46, 69	
403-6 Promotion of worker health	Health, Safety, and Wellbeing	Pg 45, 46	
403-7 Prevention and mitigation of OHS impacts linked to business relationships	Incidents and Responses Measures	Pg 46	
403-8 Workers covered by an OHS management system	Health, Safety, and Wellbeing	Pg 45, 46	
403-9 Work-related injuries	Incidents and Responses Measures	Pg 46	
403-10 Work-related ill health	Incidents and Responses Measures	Pg 46	
404-1 Average hours of training per year per employee			Information Unavailable
404-2 Programs for upgrading employee skills and transition assistance programs	Training and Capacity Building	Pg 46	
404-3 Percentage of employees receiving regular performance and career development reviews	Training and Capacity Building	Pg 46	
405-1 Diversity of governance bodies and employees	Employee Welfare, Safety, and Development	Pg 45, 47 Annual Report Pg 22	
405-2 Ratio of basic salary and remuneration of women to men		-	Not Applicable
406-1 Incidents of discrimination and corrective actions taken		-	Not Applicable
407-1 Operations and suppliers at risk for freedom of association/collective bargaining	Identifying & Addressing Human Rights Risks	Pg 29	
	Sustainable Supply Chain Management	Pg 51	
408-1 Operations and suppliers at significant risk for incidents of child labour	Identifying & Addressing Human Rights Risks	Pg 27 - 29	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Identifying & Addressing Human Rights Risks	Pg 27 - 29	
410-1 Security personnel trained in human rights policies or procedures	Training and Capacity Building	Pg 46	Information Unavailable
411-1 Incidents of violations involving rights of indigenous peoples		-	Not Applicable
412-1 Operations subject to human rights reviews or impact assessments	Respecting and Promoting Human Rights	Pg 28, 29	
412-2 Employee training on human rights policies or procedures	Employee Training in 2024	Pg 46	
412-3 Significant investment agreements/ contracts including human rights clauses or screening	Respecting and Promoting Human Rights	Pg 28, 29	

Disclosure Title	Section Title	Disclosure Reference	Omission
413-1 Local community engagement, impact assessments, and development programs	Community Impact	Pg 48-50	
413-2 Operations with significant actual and potential negative impacts on local communities		-	Not Applicable
414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain Management	Pg 51	
414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain Management	Pg 51 -52	
415-1 Political contributions		-	Not Applicable
416-1 Assessment of the health and safety impacts of product and service categories	Product Safety and Quality	Pg 30 - 31	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		-	Not Applicable
417-1 Requirements for product and service information and labelling	Various Products Certification Standards	Pg 31	
417-2 Incidents of non-compliance concerning product and service information and labelling		-	Not Applicable
417-3 Incidents of non-compliance concerning marketing communications		-	Not Applicable
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		-	Not Applicable
419-1 Non-compliance with laws and regulations in the social and economic area		-	Not Applicable

UN Global Compact (UNGC) Principles Checklist

Kakuzi Plc reaffirms its support of the Ten Principles of the UN Global Compact (UNGC) covering Human Rights, Labour, Environment, and Anti-Corruption, and integrates them into its strategy, culture, and daily operations.

UNGC Principle	Section Title	Disclosure Reference
Principle 1: Support and respect human rights	Policies & Integrity Practices → Human Rights Policy	Pg 24-25
	Identifying & Addressing Human Rights Risks	Pg 29-30
	Measuring Human Rights Performance	Pg 30
	External Collaborations (UNGC, GC Network Kenya, KNCHR, ETI)	Pg 29 - 30
Principle 2: Not complicit in human rights abuses	Policies & Integrity Practices (Code of Conduct & Ethics; Whistleblowing Policy)	Pg 24-25
	Identifying & Addressing Human Rights Risks (due diligence & de-risking)	Pg 29-30
	Ethical Sourcing (supplier due diligence; UNGPs & UNGC alignment)	Pg 51-52
Principle 3: Uphold freedom of association & collective bargaining	Employee Representation (union representation; OSH committees; CBA)	Pg 29-30

UNGC Principle	Section Title	Disclosure Reference
Principle 4: Elimination of forced labour	Policies & Integrity Practices → Human Rights Policy	Pg 24–25
	Ethical Sourcing & Supplier Audits	Pg 51
Principle 5: Abolition of child labour	Policies & Integrity Practices → Human Rights Policy	Pg 24–25
	Ethical Sourcing & Supplier Audits	Pg 29, 30, 51
Principle 6: Elimination of discrimination in respect of employment & occupation	Diversity & Inclusion	Pg 19, 45, 46, 47
Principle 7: Support a precautionary approach to environmental challenges	Water Resource Management	Pg 54
	Waste Management & Pollution Control (incl. wastewater treatment)	Pg 54, 55
	Compliance & Certifications (environmental compliance & audits)	Pg 19, 30, 31
Principle 8: Undertake initiatives to promote greater environmental responsibility	Community and Climate Action (tree planting; climate-aligned community programs)	Pg 53 –56
	Water Resource Management	Pg 54
	Waste Management & Pollution Control	Pg 54–55
	Biodiversity, Water, Waste	Pg 56–58
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Energy Use – Efficiency & Renewable Adoption	Pg 55–58
	Wastewater Treatment (Constructed Wetlands) (nature-based solution)	Pg 15, 54.
	Carbon Footprint: Reduction and Targets (low-carbon tech & targets)	Pg 57 – 58
Principle 10: Work against corruption in all its forms, including extortion and bribery	Corporate governance and integrity	Pg 21 –23
	Policies & Integrity Practices (anti-bribery, Code of Conduct, Whistleblowing)	Pg 24–25.
	Ethical Sourcing (supplier conduct; anti-corruption clauses)	Pg 29, 51–52.







KAKUZI

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