

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.

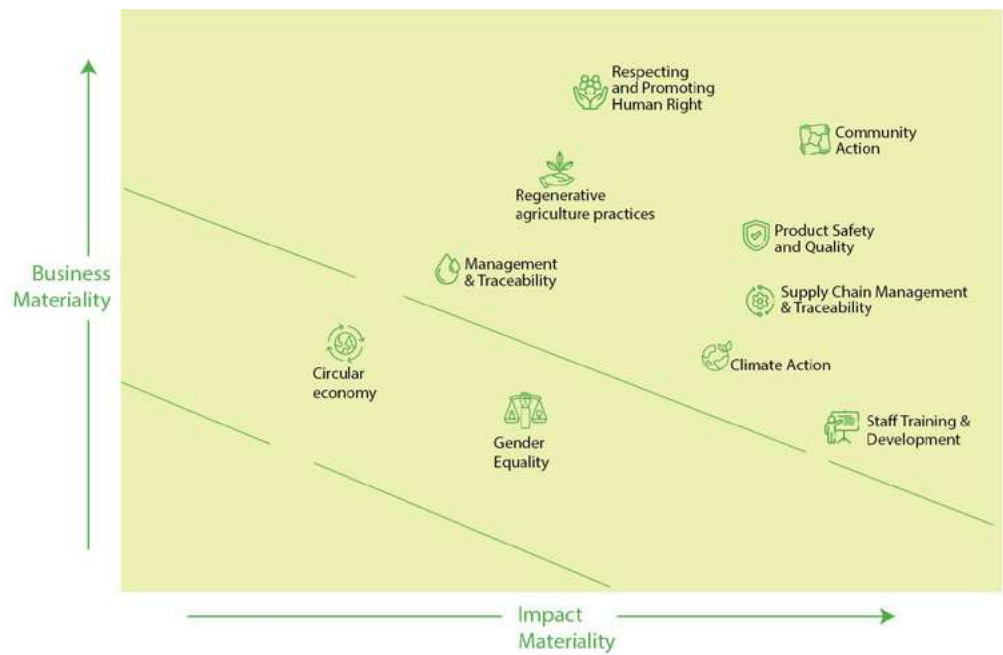
Key Material Topics and Their Importance to Kakuzi

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, forstnering 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.



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

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*