



**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
> (ESG) REPORT**



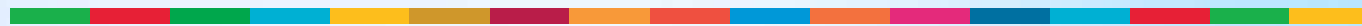
Climate change is more than statistics, it's more than data points. It is more than net-zero targets. It is about the people, those being impacted right now.

Vanessa Nakate
Climate Activist, Uganda





Environmental, Social and Governance (ESG) Report



INTRODUCTION

Nation Media Group's journey is closely intertwined with the history of Kenya and the East African region. For over 60 years, we have sought to drive a broad development philosophy and to bring excellence and best practices in the markets in which we operate. We

do this by informing, educating, and entertaining audiences and providing platforms through which they express their ambitions and aspirations, speak truth to power and track our advances as a society. We recognise that we have a responsibility to our stakeholders to apply the best practices to manage Environmental, Social and Governance (ESG) matters across our

operations. This report details the range of initiatives across ESG indicators that align our operations in accordance with the sustainability principles. We have also aligned these to the nine Sustainable Development Goals (SDGs) adopted by the group and embedded in our everyday business operations.



Environmental, Social and Governance (ESG) Report (continued)

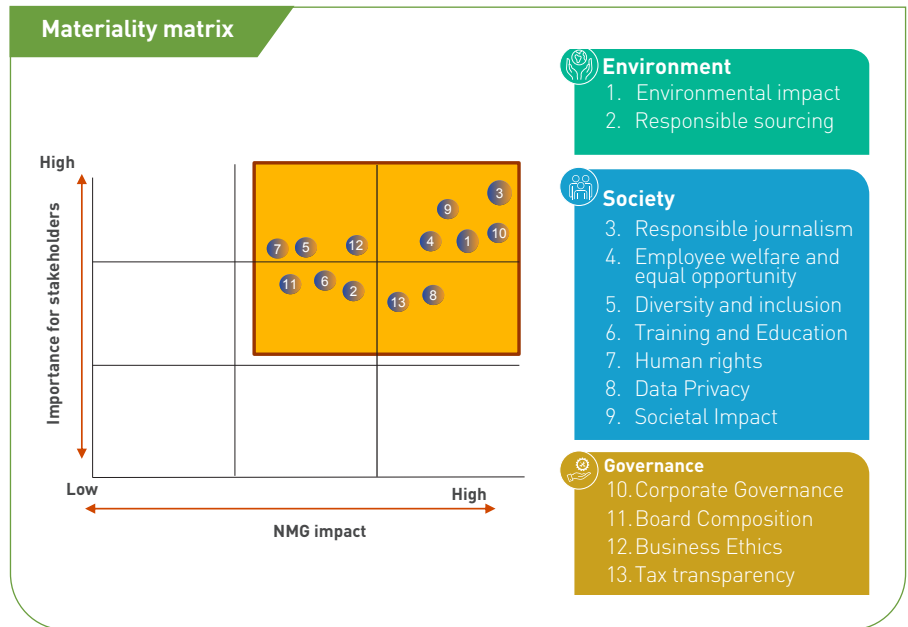
MATERIALITY ASSESSMENT

In 2022, we conducted our first comprehensive materiality assessment to determine issues that hold the greatest significance for our business and stakeholders. This assessment aimed to examine the external trends that shape our business operations, our role in society, and the impact our activities have on our operating environment.

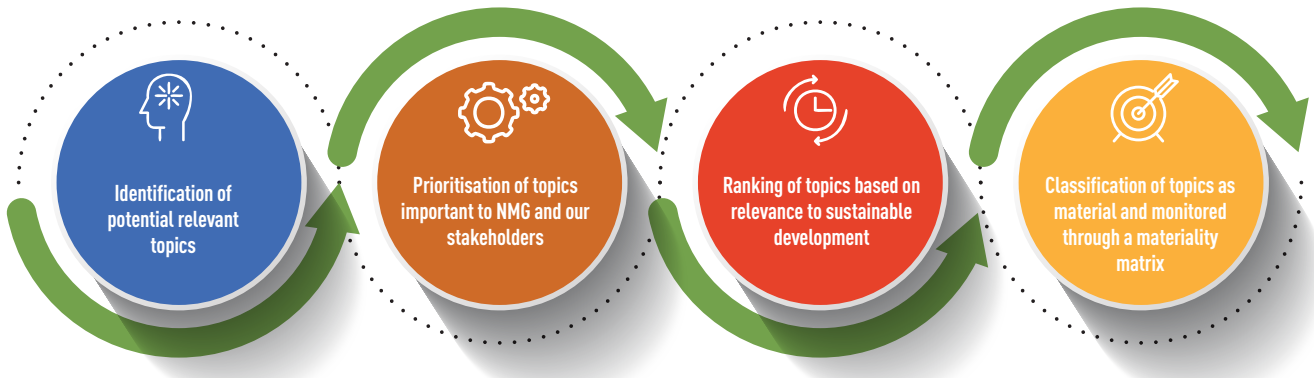
These have then formed the basis upon which NMG will manage its risks and opportunities around sustainability issues and support initiative and resource allocation decisions within the Group.

As a result of our analysis, we identified 13 key material issues that we categorised into the environmental, social, and governance matrix. To visualise the relative importance of each issue based

on stakeholder interest and perceived business impact, we created a materiality matrix, where we positioned each issue accordingly.



Summary of the materiality identification process



Our analysis revealed a strong emphasis on the following priority issues:



This valuable information enables us to identify areas where we can deliver the most value, focus our efforts, and allocate resources effectively.



Environmental, Social and Governance (ESG) Report (continued)

1. RESPONSIBLE JOURNALISM

For more than 60 years, the Nation Media Group (NMG) has been guided by ideals that have made it the most trusted and influential media house in East and Central Africa and one of the most recognisable media houses on the continent. The Group's platforms have over its history played a vital role in informing and educating East and Central Africans through the relentless pursuit of truth and speaking out on the challenges faced by the citizens and residents of the region. Among these are: terrorism, the radicalisation of youth, injustice, social inequality, abuse of office, and corruption. By practicing responsible journalism, our reporters and editors play a vital role in setting the national and regional agenda and holding the powerful to account.

NMG journalism is guided by the Editorial Policy Guidelines and Objectives, which

were subjected to shareholder review and ratified at the 2010 Annual General Meeting (AGM). They provide a framework within which journalists collect, edit, and present content to deliver quality, balanced, fair and objective stories.

One of the unique accountability frameworks that we have in place is the Office of the Public Editor which represents readers' interests across all NMG platforms in Kenya. He is tasked with handling complaints on accuracy, fairness, balance and ethical issues in news-gathering and presentation. Acting as an ombudsman, the Public Editor's role is to keep the organisation's journalism honest and in adherence to editorial policies and standards. The Public Editor is also tasked with ensuring NMG is transparent, accessible, and accountable to its audience, with the company's editorial guidelines and Kenya's Code of Conduct for the Practice of Journalism as his guiding light.



The Group's platforms have over its history played a vital role in informing and educating East Africans through the relentless pursuit of truth and speaking out on the challenges faced by the citizens and residents of the region.

With a regular column in the Friday Nation, the Public Editor has, since his appointment in January 2015, been consistently calling out NMG's content and opening it up to scrutiny by its audience. The Public Editor is independent, reports to the NMG Editorial Board Committee, and makes recommendations to editors and reporters based on his assessment of the feedback shared.

Driving Sustainability through Journalism

As a media house, we understand that reporting is not just about delivering news, it is also about empowering communities through insightful coverage. Our commitment extends to crucial areas of societal well-being, including health, gender equality, and youth empowerment. Through our dynamic and comprehensive reporting efforts, we ignite conversations, spark inspiration, and propel meaningful action. Our journey is transformative as we seek to harness the power of storytelling to shape a brighter and more sustainable future.

Climate Action

Climate change is one of the most pressing challenges facing our planet today. The effects of climate change are already being felt around the world, in the form of more extreme weather events, rising sea levels, and changes in agricultural yield. Action needs to be taken to address climate change to prevent devastating consequences.

Kenya's economy for instance, which is heavily reliant on rainfed agriculture, is at risk from the impacts of climate change. To address this, governments and the private sector must prioritise the development of policies and strategies that create resilience in the face of the changing climate.

to *Seeds of Gold* on the Saturday Nation and *Climate Action* in the Sunday Nation. The content contained within these platforms, and events such as Farm Clinics, have been instrumental in driving sustainable



The Group has over the years provided rich, educative, and informative content around the environment from the award-winning *Food Fridays* on NTV





Environmental, Social and Governance (ESG) Report (continued)



farming practices and capturing the reality of climate change in an agriculture-led region. In addition, NMG has reported on a number of investigative pieces that have led to government-led action to protect

our environment. To enhance its existing efforts, The Group recently launched the first Climate Desk in the region. The desk seeks to document the raw impact of climate change on the region, give impacted communities a

voice on mainstream media, raise awareness on adaptation and mitigation measures, track progress, and inspire hope for the future.



Ongoing tutorial at a farm clinic organized by Monitor Publications

To propel the climate adaptation and mitigation conversations, NMG also organized forums and conferences such as the *Sustainable Energy Conference* and the *2022 Kusi Ideas Festival*, both of which sought to create opportunities to deliberate African ideas, solutions, and initiatives. *The Sustainable Energy Conference* brought together corporate, government, civil society and individual

stakeholders in the energy sector to address the country's challenges in advancing the use of clean energy. The conference provided a forum to connect, share experiences and insights and exchange ideas on how the country can meet its short-term and long-term energy needs. The conference happened against a background of the global climate change crisis, with governments worldwide looking

to transition to renewable energy sources to mitigate this challenge. The conference was held at the Olkaria Geothermal Spa in Naivasha in June, 2022 in partnership with KenGen and the Ministry of Energy. More than 400 participants from the region were in attendance, while 3,154 delegates joined in virtually.



Delegates listen to a panel addressing the "Transition into Technology" at the inaugural Sustainable Energy Conference at the Olkaria Geothermal Plant





Environmental, Social and Governance (ESG) Report (continued)

The 2022 *Kusi Ideas Festival*, held in Karura Forest, Nairobi, brought together environmental champions under the theme “Climate Change: Exploring African Responses and Solutions”. The thought leadership forum explored the growing impact of climate change on the African continent. In recent years, Kenya and other East African countries have faced climate change threats, such as prolonged droughts, locusts invasion, and devastating floods, which have had an economic and human toll. The forum, therefore, discussed innovative, long-term solutions for the continent and explored partnerships for scale and global climate financing opportunities.



Government, civil society, and private sector officials, including NMG Chairman, Dr. Wilfred D. Kiboro, plant trees at the start of the Kusi Ideas Festival at the Karura Forest

Health

As the regional population gains interest in matters of health, the global community places increased focus on overall well-being, NMG has taken action to educate, drive awareness and break stigma around various health issues. As a result, we have created products specifically dedicated to discussing health matters on our print, broadcast, and digital platforms (*Healthy Nation*, a weekly pullout in *Daily Nation*, *BD Life in Business Daily*, *Health Diary* on NTV, *Afya Jamii* on Taifa Leo and *Nation Health* on *nation.africa*).



3 GOOD HEALTH AND WELL-BEING

Gender

According to *The Missing Perspectives of Women in News*, a report by the International Women’s Media Foundation, men were quoted almost four times more frequently than women in online news in Kenya in 2019 and during the first wave of the Covid-19 pandemic. In addition, women’s share of voice was reported as almost five times smaller than men’s in news about the economy, and almost eight times smaller than men’s in news about politics.

5 GENDER EQUALITY

In this context, NMG set up the first Gender Desk in Africa, in partnership with the Fuller Project for international reporting on women. Through the desk, the Group has sensitised its journalists on gender bias in the news gathering processes and elevated the voices of women in news coverage in East Africa.

The content, covered in the news, and in NMG’s monthly pullout, *The Voice*, has over the last few years succeeded in amplifying women’s stories and perspectives while influencing audiences and driving action and accountability around gender equity at the national level.





Environmental, Social and Governance (ESG) Report (continued)

Accountable Journalism

NMG was founded to promote independent voices, diversity and freedom of expression. The vision for the Group was to be a champion for the ordinary person and a supportive voice for the rule of law and human rights. We continue to be guided by these principles as we act as a watchdog for the economies within which we operate. Part of our journalism practises include building a society that fosters accountability, drives transparency and advocates for equality and change through democratic initiatives and citizen voices. We do this through our news items and investigative pieces that bring societal ills to the fore and drive accountability. These stories range from corruption scandals, environmental waste issues, human trafficking, money laundering and various other current issues.



Youth and Special Interest Group

NMG seeks to use its platforms to drive inclusivity through the products it creates and the content it runs across its print, broadcast and digital assets. Over the years, we have intentionally curated products (such as *Juniorspot*, *Generation 3 (G3)*, *Teen Republique*, *MyNetwork* and multiple others) that appeal to, educate, inform and entertain children and the youth. These products are co-created with the target audience to ensure that their voices are adequately represented and that the content adds value at the various stages of their lives.

In addition, NMG consciously runs content on special interest groups from marginalized communities to differently abled persons, to ensure adequate representation, break down stereotypes, open up individuals' perceptions and influence how society interacts. Over the years, representation in media has become a key priority within the community and the Group has taken up its role in ensuring we tell the stories that matter across the spectrum.





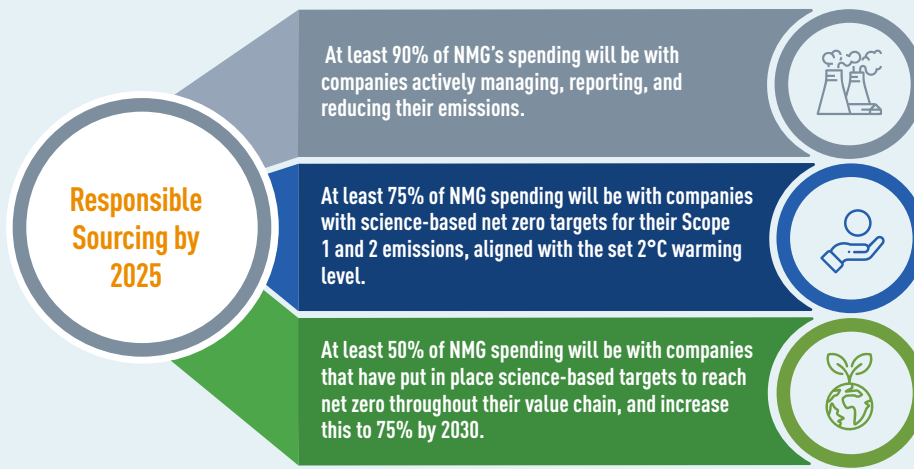
Environmental, Social and Governance (ESG) Report (continued)

2. ENVIRONMENTAL IMPACT

Beyond reporting, we acknowledge the impact our operations have on the environment. Our approach to environmental management therefore involves diligently identifying and controlling potential

environmental risks throughout our entire business cycle, from sourcing raw materials to production, operations, and product distribution across our markets of operation. Our aim is to proactively reduce our impact

on the environment, champion a proactive stance in protecting our planet and shape a sustainable future.



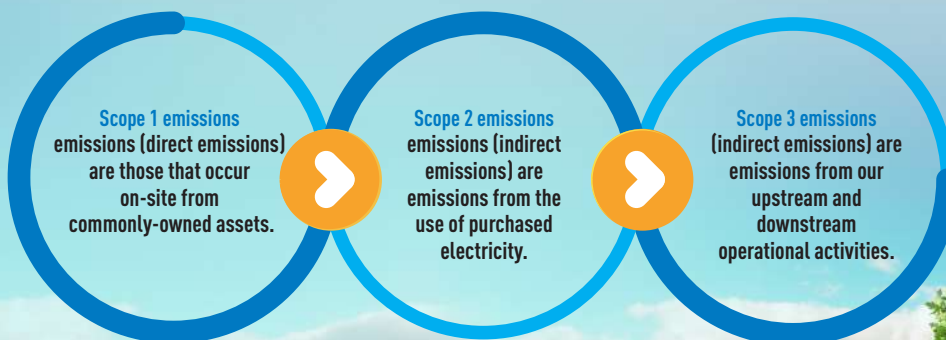
CARBON EMISSIONS

Carbon emissions are a major contributor to climate change. The latest reports have indicated that the world needs to reduce its greenhouse gas emissions (GHG) by 50% by 2030 and reach net zero emissions by 2050 to avoid the worst effects of climate change. Despite Kenya's minimal contribution of less than 0.1% to global greenhouse gas

(GHG) emissions each year, NMG is actively implementing strategies to embark on a low-carbon trajectory, aiming to achieve Carbon Neutrality across our operations by 2030. As part of this commitment, we commenced the measurement and quarterly reporting of our GHG emissions in 2020. Our Carbon footprint calculation is based on the Greenhouse

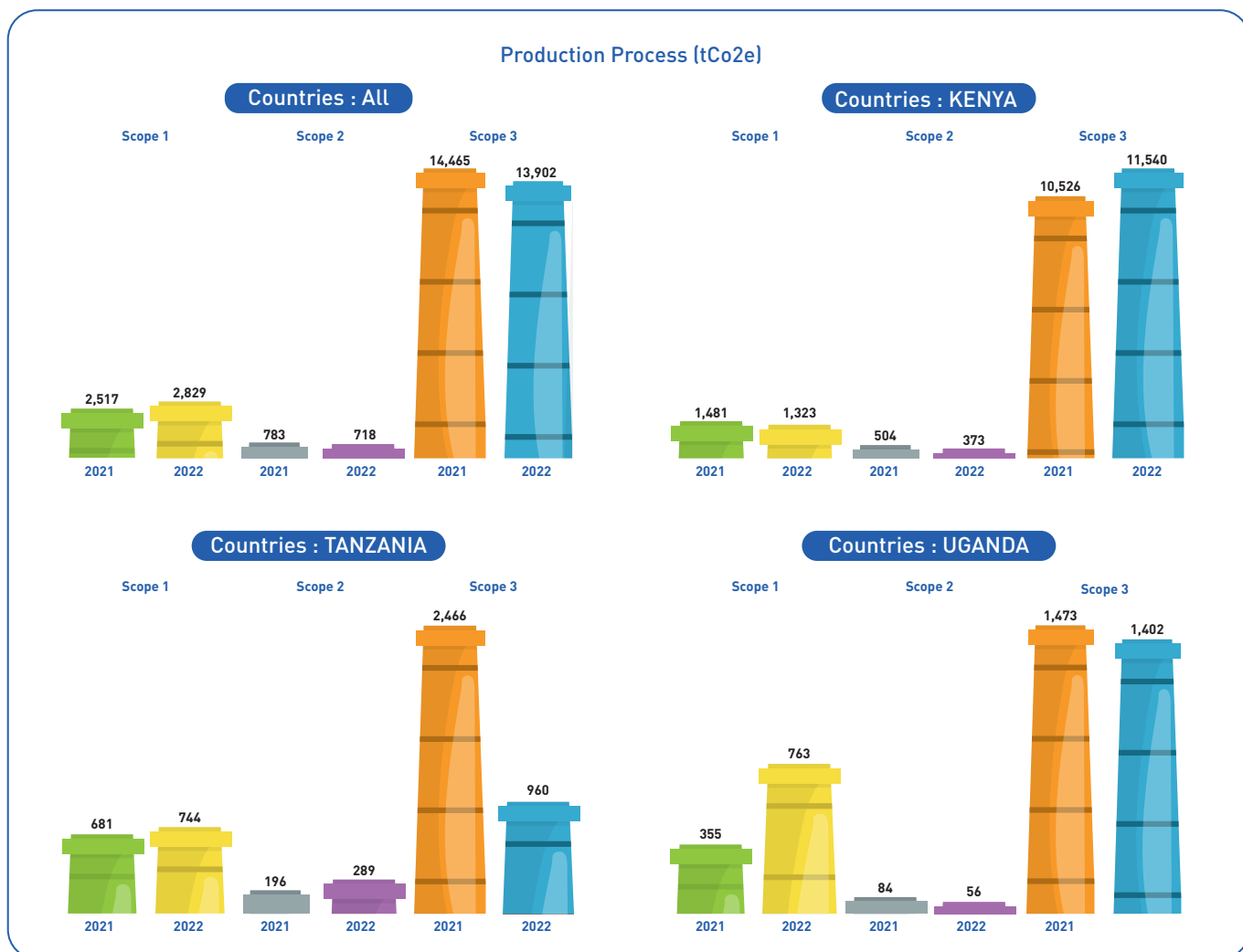
Gas protocol, which allows for meaningful comparisons among different greenhouse gases in relation to one unit of CO₂.

As part of our contribution, we have made progressive measures to reduce our carbon footprint by putting in place various efforts within our Scope 1, 2, and 3 emissions.





Environmental, Social and Governance (ESG) Report (continued)



NMG has thereby implemented a range of initiatives to reduce emissions and promote sustainability in its operations. These efforts include:

- The reduction of our business travel, prioritising virtual over physical engagements, and put in place a strict air-travel policy. According to the International Air Transport Association (IATA), air travel accounts for 2% of global CO₂ emissions and these efforts will therefore enable us to reduce our CO₂ emissions associated with business travel.
- The installation of solar water heating systems, the replacement of high-consumption halogen lamps with energy-efficient LED lighting at our Nairobi production plant and the sourcing of raw materials from nearby countries to minimise transportation emissions.
- Utilisation of solar tubes and skylights to harness natural daylight instead of relying on electricity.
- Taking up tree planting and growing as part of our community initiatives and as a carbon offsetting measure.
- Collaboratively working with our suppliers to actively reduce carbon emissions across our supply chain.

In an effort to build our capacity in this regard, 6 of our staff are currently part of the United Nations Global Compact (UNGC) Climate Ambition Accelerator program which aims to enhance their knowledge and skills in addressing climate change challenges. This knowledge will therefore support and enhance our sustainable business operations across the Group.





Environmental, Social and Governance (ESG) Report (continued)



WASTE MANAGEMENT AND RECYCLING

According to the United Nations, the global media and the entertainment industry is estimated to generate around 20 million tonnes of waste per year, mostly paper, plastic, and electronic waste. With these statistics in mind, NMG is ensuring that it takes the necessary steps to manage its waste.

With a zero-waste-to-landfill target across our operations, we have embarked on a journey to adopt a circular economy approach by identifying and reducing our sources of waste, recycling and reusing more and purchasing sustainable products where possible.

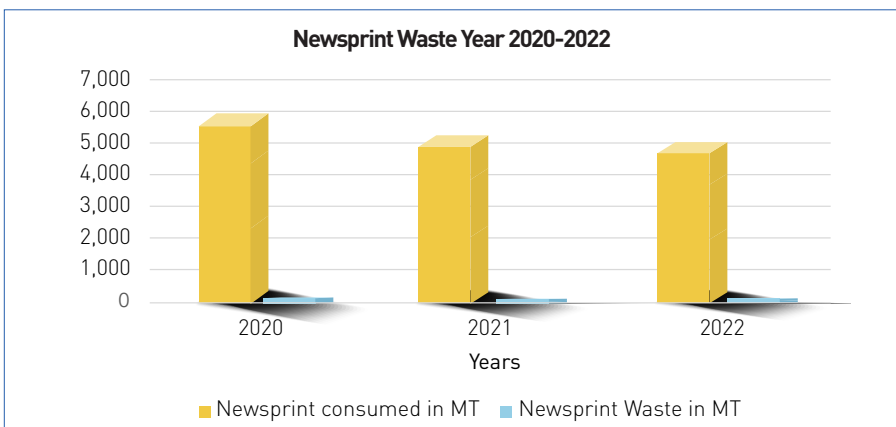
At our production plants in Kenya, Uganda, and Tanzania, we are working to eliminate the use of dangerous chemicals in plate-

making. Plates are a crucial part of the newspaper printing process as they carry the text and images that are transferred to the newsprint rolls in the press, while chemicals are used to treat the plates. In a bid to reduce the environmental impact of our newspaper production process, we are phasing out chemical plates and introducing a chemical-free plate-making system. This is in line with SDG 12, Responsible Consumption and Production.

Currently, the run-off from the development of the plates is classified as contaminated press waste, which includes inks, oils, and water. The waste is disposed of by companies certified by the National Environment Management Agency (NEMA). The companies

collect and incinerate the waste in an environmentally friendly and approved process. Waste paper is produced from the newspaper production process as well as the returns from the newspapers distributed across the region. The waste paper is disposed off by sale to licensed companies and it then goes on to recycling into other paper products or responsible reuse.

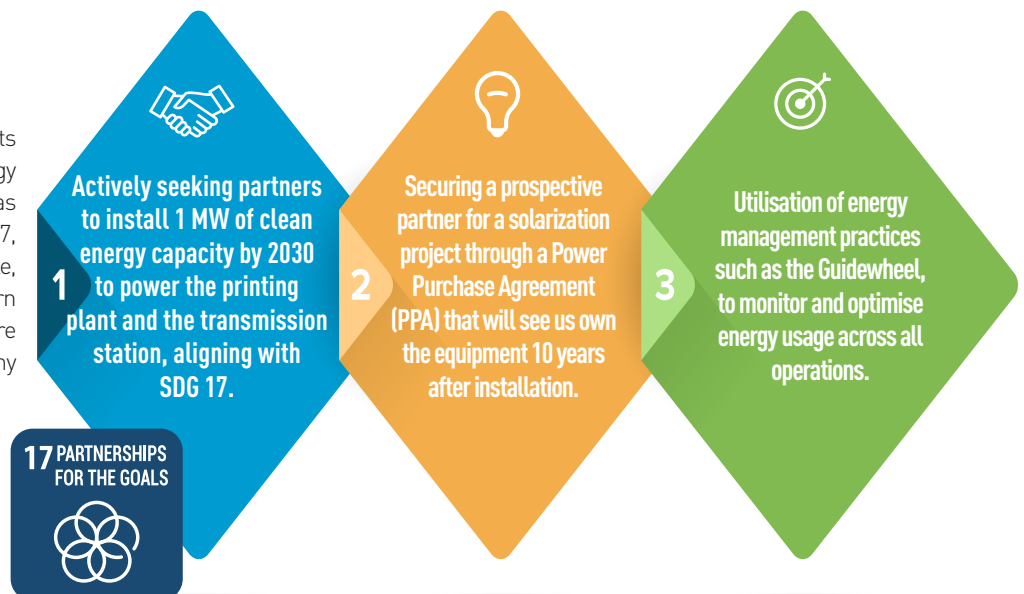
As part of our social impact activities, our staff separate educational sections of the newspapers, such as *Junior Spot*, *MyNetwork*, *Buzz*, sample examination papers, *Taifa Leo* that are then used as learning aids in the *Newspaper in Education (NIE)* initiative during the school activations and teacher trainings.



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ENERGY EFFICIENCY

Countries have set ambitious targets to accelerate the transition to energy efficiency and renewable energy such as the UN Sustainable Development Goal 7, which aims to ensure access to affordable, reliable, sustainable, and modern energy for all by 2030. Corporations are also making commitments, with many seeking 100% renewable energy usage. Our objective is to improve our energy efficiency through various initiatives that include:





Environmental, Social and Governance (ESG) Report (continued)



WATER MANAGEMENT

Efficient water management is crucial for sustainable development as it impacts various sectors. It is particularly important to address the environmental impact of water-related processes as they contribute up to 50% of greenhouse gas emissions. By optimizing water distribution systems and reducing energy-intensive practices, we can mitigate carbon emissions and promote a sustainable

future. Prioritizing water management not only ensures water availability but also supports environmental and economic sustainability.

We are dedicated to practising responsible water management and continuously striving to decrease our water consumption and effectively safeguard our water sources. We have put in place various efforts on water management.

At the production plant, our water is metered at various consumption points to control and manage consumption enabling us to monitor inefficient water usage and track leakages across the production line.

Employees are frequently sensitised on water conservation and management. The Aga Khan Development Network (AKDN) offers guidelines for water collection and use, and training across all the network organisations.

3. EMPLOYEE WELFARE

People have been at the centre of everything we do at NMG since the establishment of the company more than six decades ago. We strive to become an effective voice of the people and to do that, we need the right people; that is why our employees are our greatest assets and are at the heart of the business.

We offer equal employment opportunities without discriminating against individuals or groups and decisions regarding recruitment, promotion, employee development, career progression, and remuneration are informed by merit. Overall, the Group is continuously working towards building a future-fit workforce.

Employee well-being

Our approach to employee well-being is anchored on building and maintaining a workplace where employees feel safe and can develop supportive relationships with their colleagues and managers. This is driven by open communication,

teamwork, flexible working arrangements and psychosocial support.

Our main pillars of well-being are:



Health and Wellness

NMG provides a medical scheme and gym memberships, and for mothers returning from maternity, a lactation room and flexible working hours.



Employee Support

NMG is committed to creating a wholesome, mentally healthy, and conducive work environment. The open communication policies, continuous training on mental health issues, and sensitisation on covering potentially traumatising events, endeavour to provide a safe environment where employees have the freedom to express themselves. Under the medical scheme, employees have access to psychologists, counsellors, and

other mental health professionals for psychosocial support.



Employee engagement

Employee engagement is a continuous process that is critical to the company's performance. We have an open-door policy that gives employees a chance to voice their opinions without fear of discrimination or retaliation and also provides a safe channel for conflicts or issues to be resolved effectively. The grievance procedure in place covers issues or concerns that relate to social, financial, emotional or physical well-being of our employees.

The whistleblowing policy within the organization also provides a safe place (protected disclosure) to report unethical practices, behaviour, or violation of the Code of Ethics and Business Conduct.





Environmental, Social and Governance (ESG) Report (continued)



Employee Development, Talent Management, and Training

As we work towards building a future-fit workforce, NMG supports the professional development of its employees. To cultivate a learning culture and build a more agile organisation, NMG sponsors staff for short-term courses, provides study leave for staff to sit their exams, secondment and provides unpaid leave of absence for studies related to the staff's career ambitions.

In 2022, 221 staff from the Editorial and Commercial teams were trained on the Objectives and Key Results (OKRs) framework, Foundations of Digital & Audio Journalism, Ad

Serving Platform and Guidelines for Election Reporting. Multiple other employees were trained on a variety of other topical areas from Balanced Score Card, Big Data, Digital Marketing, Customer Service, Personal Branding and Mental Wellness.

The organisation also recognizes the role that women play in leadership and to cultivate continuous learning, two heads of department were enrolled in the Women Directors Leadership Programme at Strathmore Business School.



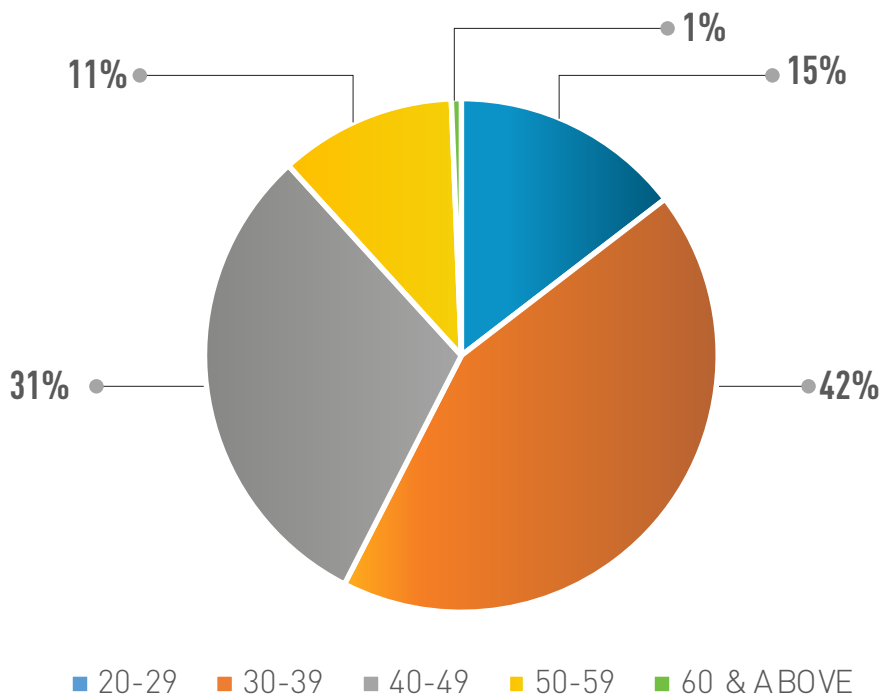
Diversity and Inclusion

Diversity and inclusion are essential to the business, and

NMG aspires to have equal gender representation at every level. Our equal employment opportunities policy bars discrimination against individuals or groups in the company in all decisions regarding recruitment promotion, employee development, career progression, salary policies, and general employment conditions.

We have instituted targeted resourcing initiatives to achieve gender parity at all levels of the business. This has led to the appointment of six female heads of departments in the last three years. These are; Head of Finance-Kenya, Head of Human Resources, Head of Audit, Risk & Compliance, IT Manager, Procurement Manager, and Chief Operating Officer.

Average Ages of employed staff at NMG Group





Environmental, Social and Governance (ESG) Report (continued)



Printing operations at the NMG press in Nairobi, Kenya

Health and Safety

Employees have a legal right to be safe at work and as such, NMG has set up effective health and safety protocols and placed emphasis on their adherence and the prompt reporting of any hazards, accidents or potential risks to prevent harm or injuries at work. Our commitment to create a secure work environment

is further evidenced in our Health and Safety motto "Zero Harm" and our strict adherence to the requirements of the Occupational Health and Safety Act of 2007 (OSHA 2007).

In 2022 we invested in comprehensive training programs to enhance employee

preparedness and response. 20 employees at our Nation Centre received training in First Aid and Fire Safety, equipping them with vital life-saving skills. Additionally, 10 employees at our Mombasa Bureau underwent specialised Health and Safety training, ensuring their well-being in the workplace.

We are proud to report that we achieved zero workplace fatalities or hospitalisation injuries resulting in no lost work time across our facilities in 2022. This translates to a Lost Time Injury Rate (LTIR) of 0 per million hours for a total of 3,051,400 hours worked at the Nation Centre, Production Plant, and NMG Contractors. This achievement highlights our unwavering commitment to creating a safe and secure work environment for everyone. We will continue to prioritise health and safety to ensure the well-being of our employees remains paramount.

4. SOCIETAL IMPACT

Our business model is built on the Shared Value concept, which recognises that businesses can generate profits while also creating value for society. This approach enables us to see social challenges as business opportunities, particularly in today's world where consumers are increasingly becoming environmentally conscious and corporate practices are under constant scrutiny. This approach enables us to rethink value creation by addressing societal challenges as a source of competitive advantage

Education

Reading, writing, speaking, and numeracy are some of the most important skills a child can learn. Literacy plays a vital role in transforming students into socially engaged citizens and creates opportunities for them to develop skills that will enable them to provide for themselves in the future.

According to the Kenya Report, Regional Educational Learning Initiative (RELI) "Do

our children have life skills and values? Assessment of Life Skills and Values in East Africa," literacy skills in Kenya are alarmingly low with only 43% of Kenyan adolescents between 13 and 17 years being able to read a Grade 4 text. Out of these, about 15% are unable to read an English text.

As such, we have chosen Education and Literacy as the Group's signature social initiative to help alleviate the reading crisis. We have developed programs to improve literacy that will promote a culture of reading and make books accessible to needy schools, such as:

a) Newspapers in Education (NiE)

The initiative promotes literacy by using newspapers as a teaching tool to build a reading culture, improve language and comprehension skills as well as numeracy skills amongst school-going children. The NiE program also trains teachers from various communities to use and reuse newspapers as a

learning tool when teaching grammar and vocabulary, and as supplementary reading material.

Over the years, NMG has partnered with various organisations and alumni associations to empower the NiE initiative. In 2022, we partnered with Kisumu Water and Sanitation Company Ltd (KIWASCO) and rolled out the programme in 5 schools. Since its inception, the NiE program has been launched in 1,597 new schools (primary and secondary) in 47 counties with 353 of them currently active in the program.

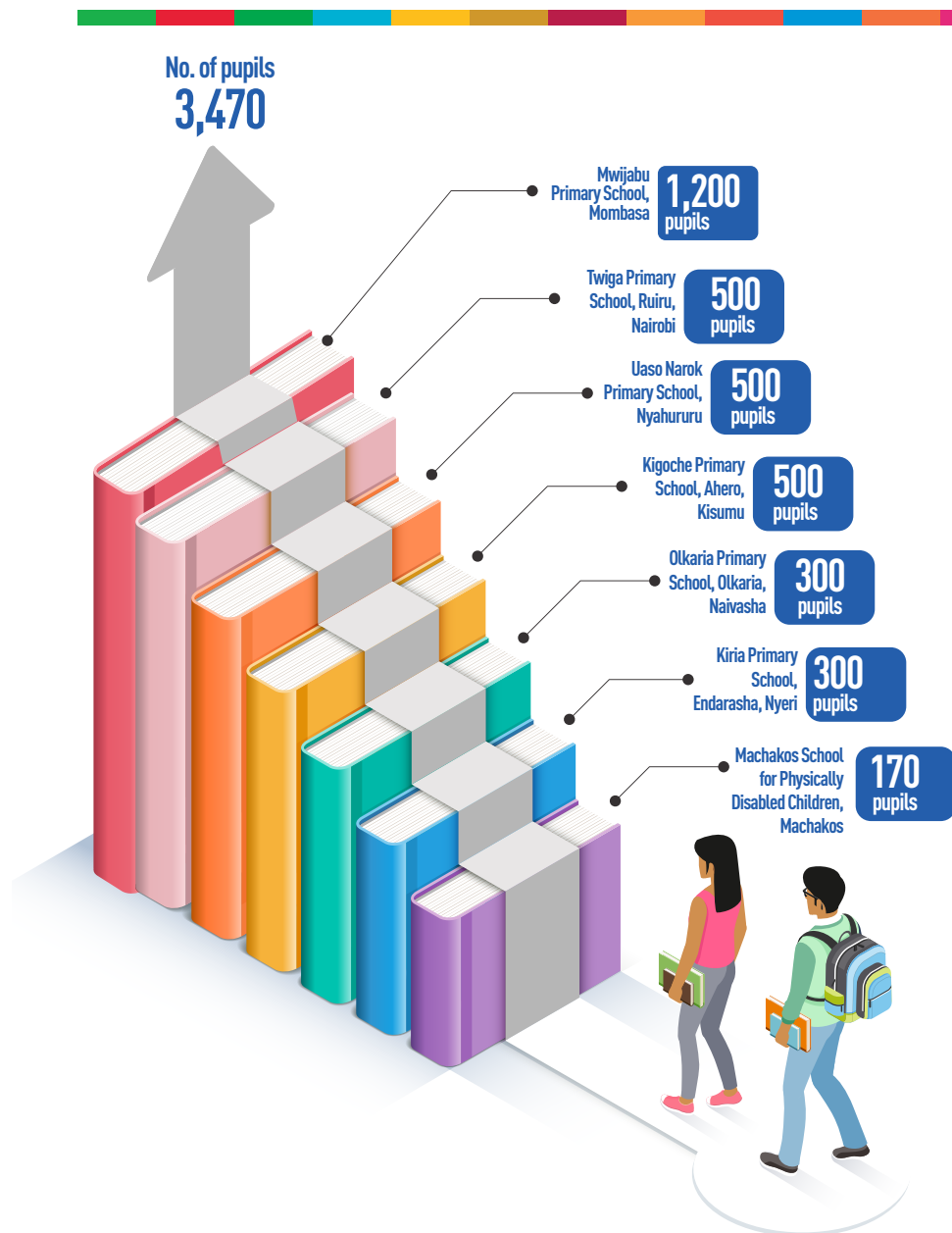
b) Textbook Donations

To further support Education in Kenya, NMG donates textbooks across the country to different public primary schools. We identify needy schools in low-income areas through regional business partners to pinpoint their requirements and provide the relevant textbooks and learning materials. In 2022, we donated textbooks worth Shs 1.4 million.





Environmental, Social and Governance (ESG) Report (continued)



- In Kenya, NMG joined the *Bonga for Food* initiative led by Safaricom, which saw Kenyans donate their Bonga points to communities in drought-stricken areas across 23 counties. The Group contributed Shs 20 million in media airtime through our broadcast, print, and digital platforms to create awareness of the dire situation in the country.
- In Tanzania, the Mwananchi Communications Limited team partnered with NMB, National Bank of Commerce (NBC) and CRDB Bank in marathons organised to raise funds for women suffering obstetric fistula, cervical cancer and paediatric heart surgeries respectfully.

Environmental Conservation

NMG contributes to environmental conservation efforts through tree planting across our countries of operation. In the year, we donated 10,000 seedlings to the Machakos County Government, and planted trees across various districts in Uganda to support reforestation. The Group also partnered with the Green Blue Foundation Africa in their tree-planting initiatives in Ngong and provided in-kind media value for a marathon to raise awareness and fundraise to support tree planting and growing within the area.

Additionally, communities around the Aberdare Forest continue to enjoy the benefits of reforestation, human wildlife conflict and protection of water towers as a result of the 440 km re-fencing project spearheaded by NMG.

Partnerships for Impact

NMG strives to deepen its social impact through strategic partnerships with organisations that share its commitment to making a positive contribution to society. These partnerships are key in scaling initiatives through the injection of resources - financial or human capital.

- In 2022, Monitor Publications Limited (MPL) collaborated with Stanbic Bank to donate over 500 *mama kits* to improve maternal services at the

The Group also partnered with the Green Blue Foundation Africa in their tree-planting initiatives in Ngong and provided in-kind media value for a marathon to raise awareness and fundraise to support tree planting and growing within the area.





Environmental, Social and Governance (ESG) Report (continued)



5. CORPORATE GOVERNANCE COMPLIANCE & ETHICS

As a media organisation, we are committed to upholding the highest standards of corporate governance, ethics and compliance with applicable laws and regulations. We ensure that all interactions with customers, suppliers and business partners are fair, honest and in strict compliance with contractual undertakings and applicable laws and regulations.

Corporate Governance Policies

NMG conducts its business ethically, with utmost integrity and in compliance with both the letter and spirit of the law. The operating principles that employees must abide by are incorporated in the Group's Code of Conduct and Business Ethics, the Whistle Blowing Policy, Procurement Policies and various others as expounded below. These policies form a core part of the induction program for all employees.

Code of Conduct: The Group's Code of Ethics and Business Conduct seeks to provide clear outlines, obligations and privileges that NMG employees should live by. The Code sets out the values guiding the organisation's dealings with stakeholders, highlights potential conflicts of interest, insider information, gifts and entertainment, corruption and bribery practices, protection of company assets, a framework for ethical decision making and so much more. The Code therefore empowers employees with information to make the right decisions, while upholding the highest standards of responsible business practices.

In order to reinforce the implementation of the Code of Conduct, the Group provides mechanisms for determining how to act in certain circumstances, with the focus on enabling employees to make the right decisions at all times so as to entrench an ethical culture. The Code of Conduct is accessible to all employees and sub-contractors.

Whistle Blowing Policy: This policy is designed to show the NMG's commitment to the business ethics of honesty,



We maintain a rigorous system of internal controls and procedures to ensure that we can effectively manage our operations and mitigate risks.

integrity and transparency and to provide a transparent and confidential process for all parties to give information on non-compliance to the Code of Ethics and Business Conduct. It provides for a culture of zero tolerance towards fraud, corruption, bribery and any malpractice or wrongdoing, guidelines on how to report a concern and encourages stakeholders to bring out information helpful in enforcing good corporate governance practices.

In addition, it provides a platform to disclose concerns of malpractices within the organisation, mitigate against any fraud, operational or regulatory risk that could lead to potential financial loss or reputational damage. It also seeks to reassure and protect those who raise concerns in the public interest, with no malice or potential for personal gain, that they can do so without fear of reprisals, victimisation or disciplinary action for making such a report.

Procurement policy: This guides our operations toward achieving our corporate objectives through professional supply-chain management. Our focus is on building strong relationships with customers and suppliers to optimise costs while delivering quality goods and services in a timely and sustainable manner.

We are committed to fair trade practices, which include prompt payment within 30-45 days of invoice receipt and fair negotiation practices. To enhance our interactions with vendors, we are in the process of automating our vendor-facing procurement processes.

Our supplier relationship management process is continuous and robust, with a focus on ascertaining the tax compliance

status, occupational health and safety, background checks of the company, and any ethical concerns through our ESG assessment framework.

In the year, we continued to implement various measures to ensure transparency, accountability, and ethical behaviour. For instance, we upheld our Dispatch Standard Operating Procedure that streamlines newspaper dispatch functions ensuring we eliminate incidents of newspaper parcel short-packs

Additionally, we continue to implement the Motor Vehicle and Motorcycle Policy Guidelines that enhance transparency, accountability, and proper record-keeping of inventory associated with company vehicles. Our newspaper freight management and claims process ensures efficient processing of freight claims made by distributors while also defining various duties and responsibilities for opening new newspaper accounts and mapping out effective means of transportation to remote locations.

Regulatory Compliance

We believe that our mission is best fulfilled by adhering to all applicable laws and regulations. Our engagement with government and regulators focuses on constructive participation to ensure the best outcome for our industry and the countries in which we operate.

We always comply with the necessary requirements as defined in any process or framework. We make oral and written representations about legislative and regulatory processes and also directly engage key government departments and industry stakeholders.

We track compliance requirements and ensure we meet all regulatory, licensing, reporting and tax requirements as stipulated by our critical regulators across markets such as the Communications Authorities, Capital Market Authorities, Securities Exchanges and others in Kenya, Uganda, Tanzania and Rwanda. In





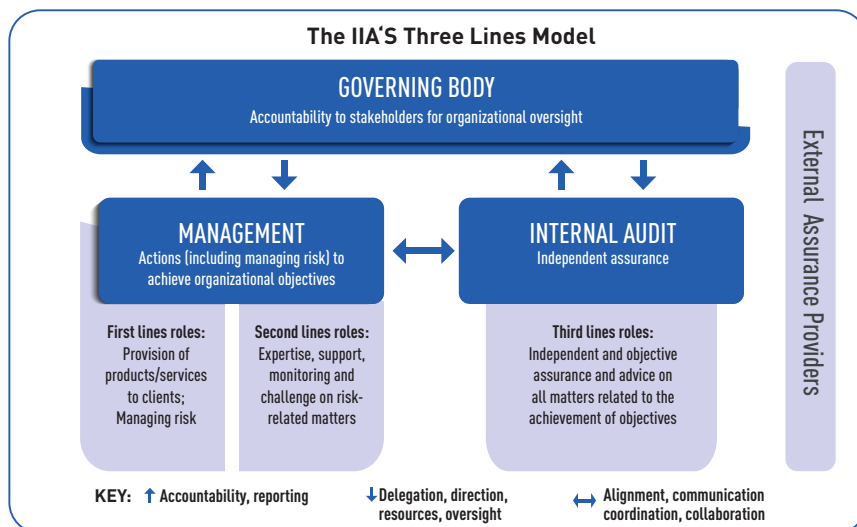
Environmental, Social and Governance (ESG) Report (continued)



In addition, we abide by the regulations that oversee our operations from the Kenya Information and Communications Act, Uganda Communications Act, Tanzania Communications Act, Communications Authority Programming Code and various others. We maintain a rigorous system of internal controls and procedures to ensure that we can effectively manage our operations and mitigate risks.

Ethically, our commitment to align our strategies and operations with the UN Global Compact (UNGC) which we joined in 2021, demonstrates our dedication to responsible business practices and sustainability. The UN Global Compact's ambition ensures companies align their strategies, policies and procedures with the initiative's 10 principles in the areas of human rights, labour, environment, and anti-corruption.

NMG is also Blue Company certified having taken a stand against any form of corruption in its operations and calling it out as part of its mandate as a media house.



- Risk Management**

At NMG, we take a comprehensive approach to managing risk through our Enterprise Risk Management (ERM) framework, which outlines how we approach and manage risk and defines the roles and responsibilities of various internal stakeholders. We have adopted the three lines of defence model to ensure effective risk management across the organisation.

There are various established and emerging risks that impact NMG and the management remains committed to ensuring these risks are mitigated and controlled at an acceptable level. Below is a summary of the key risks the business is faced with and some of the mitigating actions we have deployed.

Risk	Description	Mitigation Actions
Strategic risk	It relates to the uncertainty and challenges associated with the business' strategic direction, competitive positioning, market dynamics, and industry disruptions. The risk arises from shifting customer behavior, technology disruption, content innovation and quality, economic and market conditions, changing regulatory environment as well as the competitive landscape.	NMG is keen on embracing innovation, staying ahead of market trends, investing in research and development, remaining agile amidst disruption, and establishing effective strategic partnerships. We also regularly monitor and evaluate the competitive landscape, consumer behavior, and industry trends to identify and respond to strategic risks in a timely manner.
Regulatory risk	We operate in a highly regulated environment and may face legal challenges, such as copyright infringement claims or regulatory violations.	NMG minimizes compliance risk by monitoring legal and regulatory developments to ensure that all its functions and employees adhere to applicable laws, regulations, codes of conduct and standards of good practice.
Cyber security risk	It is the risk of a potential cyber-attack that could potentially result to business disruption, operations shut down, theft of information assets, collection of intelligence, or reputational damage. Cyber-attacks frequency, severity and sophistication continues to increase in recent years worldwide.	NMG has invested extensive resources (human and technological) in strengthening its information security and cyber defense system. Various risk assessment techniques are deployed to mitigate the risk of cybersecurity attacks. Cybersecurity awareness programs are in place for all staff to equip them with knowledge and skills to identify and respond to cyber security threats.





Environmental, Social and Governance (ESG) Report (continued)



Risk	Description	Mitigation Actions
Litigation risk	Being a media company, NMG is inherently exposed to litigation risk arising from publication of potentially defamatory content.	The Editorial policies and procedures in place serve to ensure robust gatekeeping measures are in place within the content generation and deployment processes. Regular training is done for all Editorial staff on the editorial policy and litigation risk management.
Macro-economic and Geopolitical risk	Uncertainties and volatilities from macroeconomic and geopolitical factors have heavily impacted the business environment and challenged our management actions to monitor and manage the macroeconomics risks.	NMG embraces diversification of our product offerings including prioritizing digital products and expansion to other geographical markets to mitigate the impact of economic downturns or geopolitical disruptions. We also maintain adequate cash reserves, optimize working capital management, and regularly review financial projections to ensure sufficient liquidity during challenging periods. We have also employed diverse financial strategies to mitigate currency exchange rate risks, and commodity price volatility that can arise from economic or geopolitical uncertainties.
Business Continuity risk	Various risk events such as natural disasters, fire, political unrest, sabotage pandemics, equipment failure and others have the potential to disrupt business operations and also portend health and safety risks.	We have in place robust Business Continuity Plans. Various risk mitigating measures are also in place as pertains staff health and safety, fire prevention and detection, equipment maintenance and servicing and security measures.
Human Capital risk	The digital disruption and the NMG transformation strategy that has been deployed to counter and leverage this has also resulted in a significant change in talent requirements and talent profile. New digital skills that traditionally were not required have become a necessity; this results in talent acquisition and retention risks.	Management is evaluating and enhancing the employee value proposition in line with the changing workforce as part of developing talent acquisition and retention strategies. Various initiatives to recruit for new skills, develop and upskill talent have been deployed.

- Data protection**

Media organisations are required to comply with applicable data protection legislation in the same manner as any other organisation. However, there must be a balance between freedom of expression and the promotion of free and independent media. Therefore, media organisations are permitted to process personal data where there is public interest. In deciding

whether a public interest exists, reference is made to various applicable industry codes of practice and ethics.

Following the legislation of the Kenya Data Protection Act (2019) and relevant Regulations, we have set up the office of the Data Protection Officer (DPO) who is responsible for ensuring all

issues around data protection are addressed. We are fully registered with the Office of Data Protection Commissioner of Kenya, have developed a privacy policy that sits on all of our digital assets explaining what type of data we collect and the purpose of processing as part of our Data Protection and Privacy compliance journey.





Environmental, Social and Governance (ESG) Report (continued)

CONCLUSION

Our sustainability report reflects Nation Media Group's awareness of the risks that sustainable challenges pose for our operations with the opportunity for us to build long-term resilience. Hence, the report demonstrates our unwavering commitment to rethink value creation by recognising the interconnectedness between business and society and therefore contribute in building a better future for our planet and society. We seek to shift the debate around societal issues from being good and managing green issues to seeing them as a source of competitive advantage. In this journey we are placing environmental stewardship, social responsibility, and ethical practices at the forefront of our operations, not only endeavouring to reduce our ecological impact but also positively influence the communities we serve.

The report highlights the strides we are taking in embracing responsible journalism, corporate governance, environmental impact, employee welfare, and societal engagement. Although much has been done, we are clear that there is still so much more that needs to be done to serve as a strong foundation for an even more ambitious and impactful future.

Looking ahead, we are fully committed to building upon this journey and setting even more ambitious goals and targets. We recognise the need for businesses including ourselves to recognize the true cost of growth. The world is facing unprecedented volatility and turbulence levels driven by social and environmental issues. These include climate change, resource scarcity, environmental degradation, pollution, poverty, social inequality resulting in

price shocks of different commodities, increase in the cost of doing business and operational disruptions. There is an immediate action required of all of us as responsible businesses to embed sustainable business models that relook at economic growth model and strive to live within planetary boundaries to ensure space for humanity is maintained.

In conclusion, we recognise that this is the journey of a thousand miles and this report is the first step in NMG transforming into a sustainable business. With a resolute focus on the present and an unwavering commitment to an ambitious future, we aspire to lead by example in sustainable business practices within the media industry. Together, we can create a better world, where the power of media shapes a responsible, equitable and sustainable future.





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