



Governance and Integrity



Nicholas Nganga
Chairman of Kakuzi PLC Board



Daniel M. Ndonge
Independent Director of Kakuzi PLC and Chairman of the Audit & Risk Committee



Stephen Waruhiu
Independent Director of Kakuzi PLC



Dr John Kibunga Kimani
Non-Executive Director Kakuzi PLC



Andrew Ndegwa Njoroge
Independent Director of Kakuzi PLC



Graham Mclean
Non-Executive Director of Kakuzi PLC



Christopher Flowers
Managing Director of Kakuzi PLC



Ketan Shah
Finance Director of Kakuzi PLC

The Board is composed of a balanced number of executive, non-executive and independent directors, who bring in a wide range and diversity of skills, experience and technical knowledge. The Board recognises that opportunities exist to consider diversity upon future retirement of non-executive directors, as per the governance guidelines. The Board of Directors is responsible for putting in place governance structures and systems that support the practice of good governance in the company. The Kakuzi Board consists of the Chairman, who has non-executive responsibilities, three independent Directors, two non-executive Directors and two executive Directors. The Board meets quarterly and is responsible for establishing the corporate governance pillars, setting the strategic direction, reviewing business performance and supervision of the management of Kakuzi operations. The Directors have the knowledge, experience, autonomy and skills enabling them.

The Principal responsibilities of the Board are:

1. Strategy
2. Acquisitions and disposals
3. Financial reporting and control
4. Internal controls
5. Approval of expenditure above specified limits
6. Approval of transactions and contracts above specified limits
7. Responsibilities for corporate governance
8. Board membership and committees
9. Approval of changes to capital structure
10. Debt financing

BOARD COMMITTEES

The Board has established Committees to assist it in discharging its responsibilities and obligations. The Committees assist the Board in carrying out its functions and ensuring that there is independent oversight of internal controls and risk management. These Committees have terms of reference approved by the Board, indicating their mandate, authority, duties, composition and leadership. The appointment of the members to these Committees draws on the skills and experience of individual Directors.

Board Audit & Risk Committee

Chaired by Mr Daniel Ndonge, an independent Director, all members of the Audit and Risk Committee have the relevant qualifications and expertise in audit, financial management or accounting.



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The principal responsibilities of the Committee are:

1. To review and monitor the financial statements of the company and the audit of those statements
2. To monitor compliance with relevant financial reporting requirements and legislation
3. To monitor the effectiveness and independence of the external auditor
4. To review the efficacy of the company's internal control system - the Committee regularly reviews the effectiveness of internal audit activities carried out by the company's audit function and senior management
5. To review significant accounting policies and practices
6. To review non-audit services provided by the external auditors

Nomination and Remuneration Committee

The Nomination & Remuneration Committee is chaired by Mr Stephen Waruhiu, an independent Director. Its other members are Mr Andrew N Njoroge and Mr Christopher Flowers. The principal responsibilities of the Nomination & Remuneration Committee are set out below:

Principal responsibilities

- Review the balance and composition (including gender and diversity) of the Board, ensuring that they remain appropriate
- Be responsible for overseeing the Board's succession planning requirements including the identification and assessment of potential Board candidates and making recommendations to the Board for its approval
- Keep under review the leadership needs of, and succession planning for, the Group in relation to both its executive and non-executive Directors and other senior executives

- Board performance evaluation and development of Directors

The Committee met thrice during the year and deliberated on, amongst other issues:

- Training needs for the year 2021
- Board Membership changes
- The need to review succession planning

Legal risk Committee

The Legal risk Committee is a committee of the Board which serves as a link between the Board and management to:

- oversee the Company's dispute resolution mechanisms and any resulting claims and legal proceedings; and
- ensure implementation of the Operational-Level Grievance Mechanism (OGM) decisions by the Board.

The Legal risk Committee is chaired by Mr Andrew N Njoroge, an independent Director. Its other member is Mr Stephen Waruhiu. The Committee shall develop its own procedures which shall be approved by the Board. During 2020, the Committee met once.

The Committee makes relevant recommendations to the Board for deliberation, adoption and implementation by management.

Independent Human Rights Advisory Committee

The Board is well advanced in establishing an Independent Human Rights Advisory Committee (IHRAC) whose role will be to provide independent advice to the Board on matters relating to Human Rights and governance structures.

The policies include:



Fair Treatment and Good Working Conditions

Through this policy, the management commits to engage in fair employment practices and maintain a workplace free from any kind of discrimination, harassment or intimidation, and respect national laws. Workers have the right to freely organize and voluntarily negotiate their working conditions in a collective manner as established in ILO Conventions 87 and 98 and in line with the national laws. To this end, every 2 years a Collective Bargaining Agreement is entered into between Kakuzi and the workers union, spelling out terms and conditions of employment to be observed during the period.



Anti-Bribery & Corruption

This policy is in place to foster an environment that encourages ethical behaviour and compliance, while an internal committee is in place that meets quarterly to monitor this.



Modern Slavery

We seek to understand and prevent slavery and human trafficking in our operations, and to ensuring that our supply chains are free from slavery and human trafficking. Our suppliers are equally required to sign and adhere to our Anti-slavery and human trafficking code.



Whistleblowing

The Board of Directors, management and staff members are committed to upholding the highest levels of integrity and observance of the rule of law. Any member of the public can register their grievances against the company, its directors, the management or employees through the contacts provided on the company website.



Employee Welfare

The welfare of our employees is of paramount importance. We ensure that the workplace is safe and good relationships are maintained between management & employees.



Tax

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to facilitation of tax evasion. All senior managers have been trained by a leading consulting firm on anti-tax evasion matters.



Environmental

We continue to identify the environmental impacts of all our

activities and manage these in a responsible manner to minimise the impact of our activities. In supporting environmental sustainability and biodiversity our summary code of practice is to:

1. Comply with all environmental legislation.
2. Assess the main environmental impacts of our business activities.
3. Establish programmes and operational controls to minimise environmental impacts identified in each of our businesses.
4. Provide appropriate training to our employees



Health & Safety

Kakuzi maintains a comprehensive occupational health and safety programme. The components of our programme include:

1. Health and safety policy

2. Workplace risk assessment
3. Joint Health and Safety Committees
4. Workplace inspections
5. First Aid implementation
6. Fire safety implementation
7. Annual Third Party Health and Safety audits
8. Health and Safety Training

A senior member of the management team has overall responsibility for health and safety supported by safety committees composed of management and employee representatives.



Product Safety

Kakuzi PLC is committed to the supply of quality and safe products. Our Food Safety Management System has incorporated

Hazard Analysis Critical Control Points (HACCP) principles, Prerequisite Programmes (PRPs) and Operational Prerequisite Programmes (OPRPs), which ensure that our food products meet consumer safety requirements, as a minimum.



Product Identification and Traceability

To ensure the final product can be traced from the delivery of the raw materials, through the processing/ packing plant to the final despatch to the consumer of our Macadamia, avocado and blueberries.



Anti Sexual Harassment

This policy ensures that the work environment is free from and does not tolerate sexual harassment of any kind. The policy has an inbuilt mechanism through the Sexual Harassment Awareness Reporting and Prevention (SHARP) programme that assures all employees, job applicants, clients, customers or any other stakeholder of the right to be treated with dignity and of the avenues available for confidentially reporting such cases, should they occur.



Labour Relations

Employees who work with Kakuzi are treated with dignity and their well-being is always a priority. There is full compliance with the Kenya Labour Laws. This means we ensure no forced, bonded or prison labour is employed, we observe the legal working age, and pay wages that meet or exceed industry or legal national minima. The company fully participates in collective bargaining agreements as stipulated in law.

Our Accreditations



RAINFOREST ALLIANCE

Our Avocado Operations in Makuyu and tea estate in Nandi Hills have socio-environmental management systems and processes covering ecosystem conservation, wildlife protection, fair treatment and good working conditions for workers, integrated waste management and good community relations.



FSSC 22000

The Avocado Packhouse and Macadamia Cracking Plant have established Food Safety Management systems to handle avocados and macadamia from the field through to dispatch ensuring the product is fit for human consumption. Systems are in place to ensure that there is full traceability back to the farm.



GLOBALG.A.P.

With the GLOBALG.A.P standard we can reassure our customers that our food products are produced with minimal detrimental impact to the environment with little use of chemicals and that we take a responsible approach to worker health and safety and animal welfare.



HALAL CERTIFICATION

Our beef products are Halal certified.



DIAMOND MARK OF QUALITY

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