

# Managing Director: Chris Flowers

In 2019, Kakuzi PLC became the first listed Kenyan agricultural company trading on the NSE (Nairobi Securities exchange) to release its Environmental, Social, and Governance report.

As a Company, we are demonstrating some of the best agricultural practices, environmental protection and enrichment, and the social well-being of our employees and surrounding communities.

During the year, the journey to access the China market started. The China fruit market is very advanced as far as the consumption of agricultural commodities including superfoods such as avocado is concerned. The regulatory entry process was stringent, and the consumers are incredibly discerning and quality conscious. However, we were up to the task and committed to maintaining the Kakuzi quality consistency for all our exports to China, among other markets.

As a Company, we support the 10 principles of UN Global Compact on human rights, labour, environment and anti-corruption, and we have been implementing them. We have also made the Global Impact and its principles part of our strategy, culture and day-to-day operations. We are further engaging in collaborative projects which advance the broader development goals of the UN, particularly the SDGs.

As a result, we appointed an Independent Human Rights Advisory Committee (IHRAC) chaired by former Attorney-General Githu Muigai. With the appointment of the committee, we became one of the first corporate organisation in sub-Saharan Africa to constitute and establish such an independent advisory panel benchmarked against the UNGPs. By doing so, we joined a growing list of global focused institutions progressively adopting the UNGPs.

Kakuzi PLC also has an Operational Grievance Mechanism (OGM) called SIKIKA which is a systematic, transparent, non-judicial process for receiving, investigating, and addressing Kakuzi-related grievances from affected communities, employees, farmers who supply avocados through the Company's economic empowerment programme, and other relevant stakeholders.

At Kakuzi PLC, we ensure that sustainability is part and parcel of everything we do. Our policy is to be sensitive to the impact of agribusiness on the environment and to protect and enhance our biodiversity.

As part of this journey, we have been monitoring and measuring our carbon footprint resulting from production and processing activities to manage the carbon emissions and be able to identify where we can minimise any negative impact on the environment. We have invested in water security through the historical construction of 19 dams to harness rainwater and ensure responsible water use. We have installed water



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meters to capture, monitor and document our water footprint. On waste management, we do this as per the waste avoidance, reduction, reuse and recycling policy and practices backed by waste management plans that include documents and records of the origin of the waste, volume, and disposal means.

As a responsible corporate citizen, we have been involved in many community projects ranging from economic empowerment to health, education, clean water and sanitation, environment conservation and climate action. For instance, in 2021, we provided more than 2,500 pupils with 1,510 furniture in 28 different learning institutions. We also provided sanitation facilities to about 6,000 pupils. During the year, the rehabilitation of Kakuzi Primary School was a major plus for us. The project saw the school's environment receive a significant facelift and, in the process, improved the quality of education at the school. On water, we facilitated water projects that are now benefiting local communities.

On our economic empowerment corporate social investment initiatives under the model of local partnerships, we continue to make avocado seedlings available to community members. In 2021, over 29,000 quality Hass avocado seedlings were sold to farmers. Kakuzi PLC continues to empower communities with knowledge and skills on avocado production and offer free maturity testing for smallholder farmers with a view to address quality concerns and better farmers' income. Another initiative is the beekeeping programme where we donated bee hives to several self-help groups as part of our support to diversify the community's income.

We have started a range of value addition to our products that target the local market. We are now producing high-quality macadamia nuts for the local market. We have a range of different meat products and we are looking at expanding these to make sure we have a greater presence in the local markets.

Finally, our success could not have been possible without the unwavering support of the Board members, who provided invaluable guidance, the management team, and members of staff for their dedication and commitment. To the community, thank you for working closely with us to ensure our mutually beneficial relationship continues. I also want to thank the national and county governments that continue providing us with an optimal operating environment.



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