



THE KENYA POWER & LIGHTING COMPANY PLC

# **CORPORATE SOCIAL RESPONSIBILITY & INVESTMENT POLICY**

<b>Part A- Document Control Sheet</b>			
Document	Corporate Social Responsibility & Investment Policy		
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Division	Managing Director & CEO		
Department	Corporate Communications		
Lead Contact	Manager, Corporate Communications		
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	Governance & Human Resources Committee		Thur. 25 <sup>th</sup> April 2024
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Commencement Date			
<b>Revision Frequency</b>	Three (3) Years		

Next Review Date	
<b>Superseded Documents</b>	None
<b>Complimentary Support Documents</b>	1. External Communications Policy 2. Stakeholder Engagement Policy 3. CSRI operating procedure manual

**Part B- Introduction**

1. Corporate Social Responsibility & Investment (CSRI) is the voluntary commitment of a business to include in its corporate practices the economic, social and environmental initiatives, which are beyond its core business activities and legislative requirements. CSRI plays an integral part of a business as it influences the long-time viability of an organization.
2. CSRI plays a vital role in the feasibility of an organization by softening the brand; enhancing brand affinity and reputation; promoting a positive image to stakeholders and investors; improving employee ownership and advocacy; improving risk and crisis management; and enhancing operational efficiencies just but to name a few.
3. The Kenya Power & Lighting Company PLC (The Company) offers an undeniably critical service as it powers the country’s social and economic growth. In a bid to foster good relations with the society within which it operates, the Company is committed to investing in impactful CSRI programmes, considering that its success is intertwined with theirs as encapsulated by the shared growth concept.

**Part C- Abbreviations and Definitions**

1. **CSRI** means Corporate Social Responsibility & Investment.
2. **ExComm** Means the Company's Executive Committee.
3. **GM** Means General Manager.
4. **CCM** Means Corporate Communications Manager
5. **The Company** Means The Kenya Power & Lighting Company PLC

6. **MD & CEO** Means Managing Director & Chief Executive Officer

7. **Triple Bottom Line** Means the accounting framework that takes into account economic, social and environmental performance.

### **Part D- Scope**

This policy applies to the Board, Management, members of staff, affiliated entities and any other partner organizations involved in the Company's CSRI activities. For affiliated entities, the Company will promote the adoption of processes consistent with the commitments set out in this document.

### **Part E- Policy Statement**

1. The CSRI policy aims at directing the Company's intent and commitment to strategic investments that are geared towards bringing about positive environmental and social change in the community within which it operates.
2. Although the Company is a commercial entity, it remains a responsible corporate citizen and therefore is committed to maintaining a healthy balance between economic, social and environmental interests. By looking beyond the financial gain, the Company is committed to the Triple Bottom Line approach, which in turn enhances the potential of the Company to create economic value.

### **Part F- Policy Objectives**

This Policy has been formulated to:

1. Establish guidelines for the Company's CSRI programmes
2. Outline the Company's CSRI key focus areas which include environmental conservation and Social impact programmes such as education, sports, health, charitable donations, enterprise growth and community development projects among others.
3. To make a measurable, positive impact on the disadvantaged communities, including women, youth and people living with disabilities in various parts of the country;
4. Enhance the image and reputation of the Company;
5. Enhance employee engagements through internally driven CSRI programmes for enhanced brand loyalty and improved productivity;
6. To promote good corporate governance practices.

7. To actively seek and create partnerships and collaborations with other organizations, community groups, government agencies, nonprofit organizations among others to ensure sustainability of CSRI initiatives.
8. To ensure that a sustainable and appropriate budget is allocated for CSRI programmes.

### **Part G- The CSRI Policy Commitments**

The Company commits to:

1. Demonstrate social responsibility towards its stakeholders and communities through CSRI programmes; and endeavour to manage these in a responsible manner;
2. Allocate up to one percent of its net annual profit towards CSRI programmes to a minimum threshold, of Khs.30 million per year.
3. Annually measure the CSRI Index for accountability and to monitor the impact of the implemented projects.
4. Operationalise The Kenya Power Foundation to scale up funding for CSRI initiatives.
5. Support non-political and non-sectarian CSRI programmes, and partner organisations and charities, being a responsible corporate citizen;
6. Ensure that sound and appropriate performance towards this is linked to our business success;
7. Ensuring that our business is conducted in all respects according to rigorous ethical, professional and legal standards;
8. Carry out strategic social impact programmes such as education, sports, health, charitable donations, enterprise growth and community development projects among others;
9. Undertake CSRI programmes that promote energy efficiency, environmental conservation, and renewable energy to create a cleaner and greener future;
10. Uphold the values of honesty, partnership and fairness in our relationships with CSRI partners and stakeholders;
11. We shall be open and honest in communicating our strategies, targets, performance and governance to our stakeholders;
12. Review and continuously improving its CSRI programmes;
13. Deliver value to shareholders, customers and the community;
14. Maintain good corporate governance practices.

### **Part F- Rationale**

1. The Company is committed to promote Corporate Social Responsibility and Investment as a responsible corporate citizen and in line with best governance practices.

2. In this regard, the Company is required to comply with various international best practices and codes including but not limited to;
  - 2.1 The Capital Markets Authority Code of Corporate Governance for Issuers of Securities to the Public, 2015
  - 2.2 The Mwongozo Code of Governance for State Corporations, 2015
  - 2.3 The Global Reporting Initiative (GRI)
  - 2.4 United Nations Sustainable Development Goals
  - 2.5 ISO 14001:15 Environmental Management System

### **Part G- Risk Statement**

Part of the risks that may affect effectiveness of this Policy include insufficient budget allocation or unexpected expenses which could limit the scope and effectiveness of CSRI initiatives. There is also the risk of difficulty in scaling up successful CSRI projects or accurately measuring their impact which may hinder their effectiveness. Further, negative public perception or lack of stakeholder engagement could undermine CSRI efforts, besides undue political interference during implementation of CSRI projects.

To avert these risk, the Company shall adhere to CSRI commitment on budgetary allocation. In addition, we shall leverage on amplification of past key programmes. Operationalization of the Kenya Power Foundation to enhance partnerships and collaborations to enable the scale up of CSRI programmes and development of a clear framework for assessing project scalability and impact are other interventions. Additionally, the Company shall implement robust communication strategies to engage with communities and stakeholders, demonstrating transparency, addressing concerns, and actively involving them in decision-making processes. There shall also be effective stakeholder management in line with the Stakeholder Engagement Policy to minimize undue political interference.

### **Part H- Statutory and Regulatory Compliance Requirements**

All Staff must apply to the latest editions of the following documents:

1. The Capital Markets Authority Code of Corporate Governance for Issuers of Securities to the Public, 2015
2. The Mwongozo Code of Governance for State Corporations, 2015
3. The Global Reporting Initiative (GRI)
4. United Nations Sustainable Development Goals
5. ISO 14001:15 Environmental Management System
6. Legal Notices
7. Regulatory circulars, guidelines, directives and codes of practices

## **Part I- Monitoring and Evaluation**

The Corporate Communications Department shall monitor and evaluate the implementation of this Policy.

## **Part J- Triggers for Policy Review**

The Policy will undergo a review under the following circumstances: -

1. Legal and regulatory changes
2. Change in organization structure, corporate strategy and business models
3. Changes in business environment
4. A lapse of a 3-year time period after the last review

## **Part K- Responsibility for Implementation of the Policy**

### **1. Board of Directors**

- 1.1 Approves the annual CSRI budget and implementation plan.
- 1.2 Provide oversight over implementation of CSRI programmes.

### **2. Managing Director & CEO**

- 2.1 Has the primary responsibility for Corporate Social Responsibility and Investment programmes.
- 2.2 Submits the CSRI budget and implementation plan to the Board for approval.
- 2.3 Reports on the utilisation of budget /expenditure of CSRI budget to shareholders and stakeholders at the end of every financial year.

### **3. Manager, Corporate Communications**

- 3.1 Coordinate operations stipulated in the CSRI policy.
- 3.2 Identify and implement CSRI programmes.
- 3.3 Manage the CSRI budget and ensure proper utilization.
- 3.4 Report on implementation of the budget and CSRI implementation plan to the Managing Director and CEO at the end of every financial year.
- 3.5 Fundraising for CSRI programmes through the Kenya Power Foundation.
- 3.6 Create awareness on the Company's CSRI programmes.

**4. Regional Managers**

Regional Managers will monitor each of the underlying policy commitments at their respective regions.

**Part L- Distribution List**

This Policy shall be distributed to all employees.

**SIGNED BY:-**

**JOY BRENDA MASINDE**  
**CHAIRMAN, BOARD OF DIRECTORS**

Signature Date: