



Kenya Pipeline Company PLC

GHG Emissions Assessment Baseline Report

2025/2026



PREPARED AND SUBMITTED BY (CONSULTANT):



**GALLANT TECHNOLOGIES LIMITED,
SOIN ARCADE, 4TH FLOOR,
WESTLANDS ROAD, WESTLANDS,
P. O. BOX 25048-00603,
NAIROBI, KENYA.**

TEL: +254 20 386 1294, +254 701 946 422

WEBSITE: WWW.GALLANT-TECHNOLOGIES.COM

AUGUST 2026

ACKNOWLEDGEMENT

Kenya Pipeline Company PLC expresses its sincere appreciation to all public and private sector stakeholders who contributed to the preparation of this Green House Gas Emissions Assessment Report. Their leadership, technical input, and continued support were invaluable in ensuring that the assessment provided an accurate status on the identification and quantification of the GHG from KPC's operational activities across Kenya.

Special appreciation is extended to Gallant Technologies Limited for their professional work as the consultant that assisted KPC in carrying out the GHG Assessment Field work and report preparation. We recognize the team of experts for their technical leadership: Eng. Michael Koech (Project Team Lead), Ms. Anne Kitelesi (GHG Expert), Patrick Nganga (Sustainability Expert), Michelle Akute (Energy Engineer) whose expertise was instrumental in preparation of this report.

KPC also conveys its gratitude to the project support team for their administrative and field assistance. We thank Charles Korir, Wilkins Burudi, and Rebecca Mukui for their dedication throughout the assignment.

Finally, KPC reaffirms its commitment to leading the implementation, coordination, monitoring, and continuous improvement of the recommendations in this Report in collaboration with relevant national and county institutions and other stakeholders.

Disclaimer

This Greenhouse Gas (GHG) Assessment Baseline Report is the inaugural GHG assessment undertaken for Kenya Pipeline Company PLC (KPC) in accordance with the Terms of Reference for the Baseline GHG Emissions Assessment and GRI Sustainability Reporting Study and the Consultancy Agreement between KPC and Gallant Technologies Limited (the Consultant). The Report including the methodology supports the establishment of KPC's GHG inventory across Scopes 1, 2, and 3, including boundary-setting, data collection, quantification, reporting, and review processes.

This Report has been developed in alignment with internationally recognized standards and guidance, including the GHG Protocol Corporate Accounting and Reporting Standard, IPIECA guidelines, GRI 11: Oil and Gas Sector 2021 and IFRS S2 GHG emissions metrics and targets requirements. Where company-specific or localized emission factors and Tier 3 methodologies were not available, regional or international reference sources were applied. These methodological choices may introduce inherent estimation uncertainties and need to be improved as context-specific information becomes available to KPC.

The Baseline GHG Assessment relies on data, records, and representations provided by KPC across its operational facilities. While the Consultant has exercised due professional care, technical expertise and reasonable quality assurance in reviewing and compiling the information, the accuracy, completeness and reliability of the underlying data remain the responsibility of KPC.

This assessment report should therefore be regarded as a foundational emissions baseline intended to inform compliance, reporting, and future decarbonization initiatives. The methodology and results are expected to be refined over time as data systems mature, localized reference resources become available, and periodic review and verification processes are undertaken.

Executive Summary

The Kenya Pipeline Company PLC (KPC) commissioned this greenhouse gas (GHG) assessment to establish a transparent and credible inventory of its emissions profile. The overarching objective of the report is to provide a comprehensive account of KPC's climate impact, aligned with internationally recognized frameworks, while identifying material emission sources across its operations and value chain. This assessment is intended to support climate related regulatory compliance, enhance stakeholder confidence, and inform KPC's long-term sustainability strategy.

The assessment was conducted in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, IPIECA GHG Reporting Guidelines, GRI 11: Oil and Gas Sector 2021, API GHG Compendium 2021, the IPCC 2006 Guidelines and IFRS S2 Standard. These frameworks and standards were selected to ensure methodological rigor, comparability, and alignment with global best practices. The report also reflects Kenya's national climate commitments and evolving ESG disclosure expectations, positioning KPC as a proactive actor in the country's energy transition.

The methodology adopted for this assessment was structured and systematic. Organizational boundaries were defined using the operational control approach, encompassing pumping stations, pipeline operations, depots, offices, and other administrative facilities operated by the company. A materiality assessment was undertaken to prioritize emission sources with the greatest impact, notably electricity consumption, purchased goods and related activities and capital goods used to build and maintain KPC's massive infrastructure. Site visits were conducted at key depots and operational sites to validate activity data and observe operational practices firsthand.

Data collection relied on fuel consumption records, electricity bills, transport logs, Company administrative data, procurement data, and 2025/2026 Annual Financial Statements. Emission factors applied were sourced from IPCC for Global warming Potential (GWP) for AC refrigerant factors, EPRA for Grid emission factor, DEFRA for activity-based emission factors; and EXIOBASE and EPA for spend-based emission factors. Where data was available, region-specific datasets were given priority. Limitations were acknowledged, including data gaps in contractor reporting, limited granularity in supply chain emissions sources, and reliance on default global or regional emission factors where localized data was unavailable.

KPC's greenhouse gas emissions profile for 2025/2026 reflects evolving operational and value chain dynamics, as measured in accordance with the GHG Protocol Corporate Standard. Total absolute emissions increased from 31,459 tCO₂e in 2025 to 34,168 tCO₂e in 2026, driven primarily by growth in Scope 2 and Scope 3 sources. Scope 3 remained the largest contributor, rising from 21,472 tCO₂e to 22,351 tCO₂e, underscoring the continued influence of procurement, capital investments, travel, and commuting activities across the value chain. Scope 2 emissions increased from 8,245 tCO₂e to 10,116 tCO₂e, reflecting an increase in electricity consumption across operational facilities. Scope 1 emissions decreased slightly from 1,743 tCO₂e in 2025 to 1,701 tCO₂e in 2026, maintaining a relatively small share of the overall footprint.

KPC's emissions profile underscores the need for strengthened data quality, improved energy performance, and more sustainable supply chain practices. Maintaining high-quality, consistent data particularly from contractors and suppliers, remains essential for accurate Scope 3 reporting and effective decision-making. Expanding energy efficiency measures and accelerating captive generation from renewable energy resources will help curb rising electricity related emissions and reduce long-term operational costs. At the same time, deeper engagement with suppliers and a shift toward sustainable procurement will be critical in addressing the carbon intensity embedded in purchased goods and capital investments. Together, these actions form a strategic pathway for reducing emissions across all scopes while enhancing operational resilience and supporting KPC's broader climate goals.

Table of Contents

Disclaimer	1
Executive Summary	4
Table of Contents	5
Acronyms and Abbreviations	6
Glossary Terms	7
1. Introduction	8
1.1. Background	8
1.2. Objectives of the Assessment	9
1.3. Scope and Limitations	9
2. Methodology	10
2.1. Frameworks and Standards Applied	10
2.2. GHG Accounting and Reporting principles	11
2.3. Organizational Boundary	12
2.4. Setting Organisational Boundary	12
2.5. Setting operational boundaries	13
2.6. Materiality	13
2.7. GHG Inventory	14
2.8. Assumptions and Uncertainties	15
3. Organisational Profile	18
3.1. Overview of KPC's Operations	18
4. Materiality Analysis	20
4.1. Assessment criteria	20
4.2. Scoring system and rationale	22
4.3. Identification of priority emission sources	22
5. Emission Sources Identified	24
5.1. Scope 1	25
5.2. Scope 2	27
5.3. Scope 3	28
5.4. Exclusions justified	30
6. GHG Assessment Results	31
6.1. Consolidated Footprint Results	32
6.2. Absolute emissions	37
6.3. Carbon intensity metrics	39
6.4. Treatment of gaps and uncertainties	40
7. Benchmarking	41
7.1. Comparison with Industry peers	41
7.2. Alignment with Kenya's Climate Goals and National GHG Inventory	43
7.3. Global Oil & Gas Sector Insights	44
8. Pathways for Emission Reductions & Recommendations	44
8.1. Priority reduction areas	45
8.2. Risks and Opportunities	47
8.3. Co-benefits	48
8.4. Recommendations	49
9. Appendices	53
10. References.	54

Acronyms and Abbreviations

Acronym	Full Meaning
API	American Petroleum Industry
CDP	Carbon Disclosure Project
CH ₄	Methane
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
DEFRA	Department for Environmental, Food & Rural Affairs
EEIO	Environmentally Extended Input-Output
EF	Emission Factor
EPA	Environmental Protection Agency
EPRA	Energy and Petroleum Regulatory Authority
ESG	Environmental and Social Governance
GHG	Greenhouse Gas
GHG Protocol	Greenhouse Gas Protocol Corporate Standard
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRI	Global Reporting Initiative
GRI 11	GRI Oil and Gas Sector Standard
GWP	Global Warming Potential
IEA	International Energy Agency
IFRS S2	International Financial Reporting Standards Climate-related
IPCC	Intergovernmental Panel on Climate Change
IPIECA	International Petroleum Industry Environmental Conservation
ISO 14064	International Standard for Greenhouse Gas Quantification and Reporting
KPC	Kenya Pipeline Company PLC
KPRL	Kenya Petroleum Refinery Limited
NACE	Statistical Classification of Economic Activities in the European Community
NCCAP	National Climate Change Action Plan
NDC	Nationally Determined Contribution
NEMA	National Environment Management Authority
PCAF	Partnership for carbon Accounting Financials
PS	Pump Station
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SHEM	Safety, Health, and Environmental Management
TCFD	Task Force on Climate-related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change
USEEIO	United States Environmentally Extended Input-Output

Glossary

Term	Definition
Materiality	The threshold at which an omission or misstatement of greenhouse gas emissions could influence decisions or conclusions drawn from the assessment, guiding the level of accuracy, completeness, and detail required in reporting
GHG Inventory	A comprehensive, structured account of an organization's greenhouse gas emissions, compiled across defined sources, boundaries, and time periods to support measurement, reporting, and management
GHG Methodology	The standardized approach, principles, and procedures used to quantify, calculate, and report greenhouse gas emissions within defined boundaries and scopes
Base year	The reference year against which current and future greenhouse gas emissions are compared, serving as the benchmark for tracking performance and reduction targets.
Baseline	The projected or reference scenario of greenhouse gas emissions against which actual or future emissions are measured, used to evaluate performance, trends, and the impact of mitigation actions.
Emission factor	A coefficient that quantifies the emissions released per unit of activity, fuel use, or process, enabling calculation of greenhouse gas emissions from measurable data.
Scope 1	Direct greenhouse gas emissions from sources owned or controlled by the organization.
Scope 2	Indirect greenhouse gas emissions from the generation of purchased electricity or heat consumed by the organization.
Scope 3	All other indirect greenhouse gas emissions occurring in the value chain of the organization, both upstream and downstream.
Emission intensity	The ratio of greenhouse gas emissions to a unit of activity, output, or economic value, used to compare performance across entities or time.
API GHG Compendium	A standardized set of calculation methodologies and emission factors developed by the American Petroleum Institute for estimating greenhouse gas emissions in the oil and gas sector.
IPIECA	The global oil and gas industry association for advancing environmental and social performance, providing guidance on sustainability and greenhouse gas reporting.
IFRS S1	The International Financial Reporting Standards disclosure standard on general sustainability-related financial information.
IFRS S2	The International Financial Reporting Standards disclosure standard focused on climate-related financial information, including greenhouse gas emissions
GRI 11	The Global Reporting Initiative sector standard for oil and gas, providing specific guidance on sustainability and greenhouse gas disclosures.

1. Introduction

KPC is a state corporation mandated to transport, store, and distribute petroleum products from the coastal terminal at Mombasa to inland depots in Nairobi (PS10), Nakuru (PS 25), Eldoret (PS 27), and Kisumu (PS 28). Since its establishment in 1973, KPC has become the central artery of Kenya's petroleum supply chain, with an integrated system comprising over 1,342 km of pipelines, multiple depots, marine terminals, and strategically located pumping stations. The company also operates office spaces and other facilities. As at the end of 2025/2026 financial reporting year, KPC had increased its annual throughput to 10.6 million cubic metres (M³) of petroleum products. This infrastructure is indispensable not only to Kenya's economy and energy security but to entire East Africa Community.

However, transportation of petroleum products is energy and resource intensive, and this is directly and indirectly associated with greenhouse gas (GHG) emissions. Pumping stations, depots and other facilities owned by the company consume large volumes of fuel and electricity. Additionally, supporting operations such as administration, transportation, and maintenance also contribute to GHG emissions.

To manage its climate impact responsibly and transparently, KPC undertook a baseline assessment of its GHG emissions. The first and essential step in this process was setting up the company and operational boundary and conducting GHG materiality assessment which included document review and site visits to pumping stations and depots. This defines what parts of the organization and which emission sources (activities) will be included in the assessment. This was followed by determining the appropriate methodology and developing the GHG inventory aligned to global GHG accounting standards. This process ensures that the resulting footprint is comprehensive, credible, and valuable as the basis for emission reduction pathways.

1.1. Background

KPC plays a pivotal role in national and regional energy security, economic development, and industrial growth. However, its operations are also associated with significant greenhouse gas (GHG) emissions, which contribute to global climate change and pose regulatory, reputational, and financial risks. In recognition of these challenges, this GHG Baseline Assessment Report has been prepared to establish a comprehensive emissions profile for KPC's pipeline operations.

The purpose of this baseline assessment is fourfold:

- **Quantification:** To estimate and document direct and indirect GHG emissions across the company's pipeline network, including operations, maintenance, and support activities.
- **Alignment with National Climate Change Priorities** To align with Kenya's national climate policy framework—including the National Climate Change Action Plan (NCCAP) and the country's Updated Nationally Determined Contribution (NDC 3, submitted in 2024). KPC's GHG mitigation roadmap is structured to support Kenya's target of achieving a 32% reduction in GHG emissions by 2030, and the enhanced 35% reduction pathway relative to a business-as-usual scenario of 215 MtCO₂eq in 2035 resulting in the abatement of 75.25 MtCO₂eq. KPC's decarbonization pathway will therefore be aligned with both the 2030 and 2035 milestones outlined in Kenya's long-term mitigation strategy.

Additionally, this assessment contributes to the development and strengthening of Kenya's national GHG inventory by improving data quality, transparency, and sector-specific emissions insights from the petroleum transportation and storage subsector. The report also supports KPC's ambition to align with internationally recognized GHG reporting frameworks, including the GHG Protocol, IPCC Guidelines, and emerging petroleum-sector reporting requirements such as the IPIECA GHG Reporting Guidelines. This alignment ensures methodological consistency, enhances comparability, and positions KPC to meet evolving regulatory and disclosure expectations at both national and global levels.

- **Strategic Planning:** To provide a foundation for emissions reduction strategies, efficiency improvements, and long-term sustainability initiatives that enhance KPC's resilience and competitiveness.
- **Regulatory Compliance:** To meet regulatory expectations on climate and GHG emissions reporting requirements as guided by the Capital Markets Authority and ICPAK that public interest entities to use the IFRS S2 and GRI disclosure standards to communicate their GHG emissions performance.

The assessment covers the following GHG emissions carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs) converted into carbon dioxide equivalents (CO₂e). The emissions sources are categorized using the GHG Protocol's Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from purchased electricity), and Scope 3 (other indirect emissions across the value chain, where applicable). The baseline year selected for this assessment is reporting financial period July 2024 to June 2025, representing a critical reference point against which all other future performance will be measured.

By establishing a credible and transparent baseline, KPC demonstrates its commitment to environmental stewardship, regulatory compliance, and proactive climate risk management. The findings of this report will serve as a cornerstone for:

- Informing stakeholder engagement and disclosure practices.
- Supporting investment decisions and operational improvements.
- Setting science-based targets and emission reduction pathways.
- Enhancing the company's contribution to national and global climate goals.

Ultimately, this GHG Baseline Assessment is not only a technical exercise but also a strategic tool. It enables KPC to transition from compliance-driven reporting toward integrated sustainability leadership, ensuring that pipeline operations remain viable, responsible, and aligned with the evolving expectations of regulators, investors, and society at large.

1.2. Objectives of the Assessment

The overall objective of Baseline GHG emission assessment was to:

- Ensure a thorough and independent assessment of the GHG emission sources from various operational activities of KPC within emission Scopes 1, 2 & 3 through assessment of materiality.
- Guided by scope 1, 2 and 3 GHG Protocol, identify and quantify emissions across KPC's value chain by developing a comprehensive GHG inventory and management plan.
- Enable reporting of GHG emissions information, reviewing, audit, approval, monitoring and setting targets for improvement.
- Establish areas for sustainable resource management including energy conservation, reduction of material used to distribute petroleum products and thereby reduce emissions of GHGs from KPC operations and contribute to a more sustainable production and consumption path.
- Ensure compliance with legal, mandatory and voluntary GHG emission disclosure and reduction targets as industry requirements on reporting and reducing emissions.
- Generation of a GRI sustainability report aligned to the GRI 11: Oil and Gas Sector 2021 requirements in a bid to facilitate KPC's sustainable transitioning to low carbon emission development.

1.3. Scope and Limitations

According to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), assessing an organization's carbon footprint involves two main steps. First, setting Organisational boundaries, which define the various legal entities and degrees of control an organisation has over its operations, and second, setting operational boundaries, which outline the specific activities and operations that will be included in the carbon footprint assessment.

The scope of this assessment was conducted within the limits of the consultancy scope of work which covered specified KPC operational sites as documented in section 3.1.2 below. However, all potential scopes of emission sources were identified and assessed, and material sources identified as captured in detail in section 4.2 below.

The assessment was limited to use of historical activity data measured and collected during the year 2024/25 and 2025/26 from KPC's operations documentation systems and tools such as templates and reports. While data was available for material emission sources, in some instances it was incomplete and for other sources, not readily available, for example quantity of waste generated in KPC's operations was not provided. In the absence of relevant data, surveys and calculations were conducted introducing elements of assumptions and uncertainties. Measurement of material activity emission sources to determine data accuracy and quantification was not included in this assessment.

1.4. Selection of Base Year 2024/2025

The financial reporting year July 2024-June 2025 (hereinafter referenced as 2025) was selected as the base-year reflecting the earliest period for which the organization made a deliberate decision to assess its GHG emissions. Additionally, relatively complete, reliable, and verifiable activity data was available to undertake this exercise. Being an inaugural GHG report, comparability will be achieved in subsequent reporting years, therefore meeting GRI and IFRS S2 requirements.

The reporting period July 2025 to June 2026 (hereinafter referenced as 2026) is consistent with the sustainability disclosures and audited financial statements reporting cycle enabling coherent integration of GHG metrics into broader sustainability and financial performance statements.

Importantly, management formally endeavors to disclose year-on-year GHG emissions to meet regulatory expectations of IFRS S1 & S2. The base year provides the starting point for systematic GHG assessment and annual emissions reporting, providing a clear governance mandate and a stable foundation for tracking progress over time.

2. Methodology

This methodology supports the establishment of KPC's GHG inventory baseline across Scopes 1, 2, and 3, including boundary-setting, data collection, quantification, reporting, and review processes.

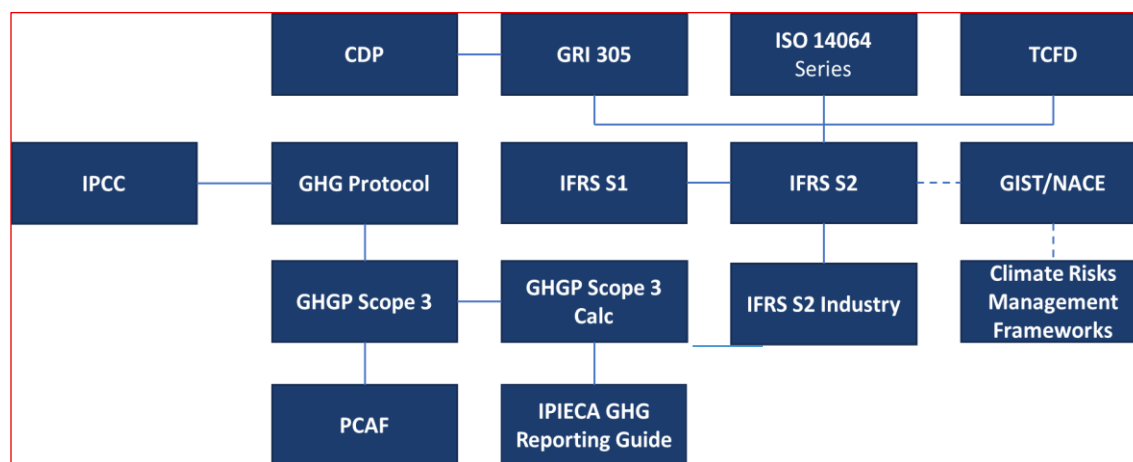
The methodology has been developed in alignment with internationally recognized standards and guidance, including the GHG Protocol Corporate Accounting and Reporting Standard, IPIECA guidelines, and GRI 11: Oil and Gas Sector 2021. Where company-specific or localized emission factors and Tier 3 methodologies were unavailable, regional or international reference sources were applied. These methodological choices may have introduced inherent estimation uncertainties.

2.1. Frameworks and Standards Applied

The GHG¹ Emissions calculations was essentially based on the GHG Protocol, initially published in 2001 and updated in 2004 (*GHG Protocol, 2004*). Since then, a vast collection of documentation has been developed. Some of the most essential frameworks adopted for this report are presented in the figure below.

¹ The GHGs defined by the UNFCCC/Kyoto Protocol is being compiled as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). For ease of accounting, these gases are usually converted to and expressed as carbon dioxide equivalents (CO₂e).

Figure 1: GHG Frameworks and Standards



The GHG emission framework is made up of a set of documents, used in this Report:

- *A Corporate Accounting and Reporting Standard (GHG Protocol 2004)*
- *Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard (GHG Protocol 2015)*
- *Corporate Value Chain (Scope 3) Accounting and Reporting Standard, (GHG Protocol 2011)*
- *Technical Guidance for Calculating Scope 3 Emissions (GHG Protocol 2013)*
- *The Product Life Cycle Accounting and Reporting Standard (GHG Protocol 2011)*
- *Petroleum Industry Guidelines for Reporting Greenhouse gas Emissions, 2nd edition, May 2011*
- *GRI 11: Oil and Gas Sector 2021*

On top of the methodological approaches towards the calculation of GHG emissions, the instructions on Emission Factors (EF) used are also very diverse depending on purpose and markets they were developed for (sources)². The following sources provided emission factors ranging from global, regional, and country-level data for different activities.

- IPCC Greenhouse Gas Emissions Calculator | 2021 Emission Factors
- EPRA Grid Emission Factor: Energy and Petroleum Statistics, 2025
- United States: 2025 US Environmental Protection Agency Emission Factors for Greenhouse Gas Inventories
- United Kingdom: UK Government (DEFRA) Greenhouse Gas Conversion Factors for Company Reporting
- EXIOBASE V3.11.1 Emission Factors
- USEEIO Supply Chain GHG Emissions Factors

2.2. GHG Accounting and Reporting principles

Relevance

For a pipeline company like KPC, ensuring the relevance of its GHG report is essential to meet the needs of both internal and external stakeholders³. There was selection of appropriate inventory boundary that reflects

² BP Target Neutral, Global online travel calculator: *Method for calculating greenhouse gas emissions*, v. 3.0 July 2021.

³ IPIECA- Petroleum Industry Guidelines for Reporting Greenhouse gas Emissions, 2nd edition, May 2011

the substance and economic reality of the Company's business activities and relationships, rather than focusing solely on legal structure. The boundary has been chosen based on KPC's characteristics and the intended use of the information.

Completeness

Completeness is another critical factor, requiring KPC to account for all significant emission sources within the selected boundary. This ensures that the carbon inventory is comprehensive and meaningful. All emissions within the organizational and operational boundaries that are material to users has been reported to allow KPC's emissions to be assessed. Where data was missing for material emission sources such as business travel, an explanation has been provided including recommendations.

Consistency and Comparability

Going forward, KPC will apply the same accounting approaches, inventory boundaries, and calculation methods consistently. Any changes to these elements will be documented and justified to maintain data comparability.

Transparency

Transparency involves clear and factual disclosure of processes, assumptions, and any exclusions or inclusions in the GHG inventory. Detailed documentation was observed to enable internal and external reviewers to verify the data's credibility, ensuring stakeholders have a meaningful assessment of KPC's performance.

Accuracy

This assessment aimed at minimizing uncertainty in emission measurements, ensuring that reported data is as close as possible to actual values. By maintaining accuracy, KPC can enhance the trust and transparency of its environmental reporting.

2.3. Organizational Boundary

According to the GHG Protocol and Petroleum Industry Guidelines for Reporting GHG emissions, a reporting company is required to determine the boundary covered under its GHG assessment. There are two types of boundaries referred to in the context of GHG emissions inventories:

- a) Organisational boundaries and
- b) Operational boundaries

2.4. Determining the Organisational Boundary

Organisational boundary refers to the assets that fall within KPC's inventory boundary and the way in which their emissions are accounted for.⁴ Organisational boundary allows KPC to select an approach for consolidating GHG emissions and consistently apply it to define those assets and operations that constitute the organisation for the purpose of accounting and reporting GHG emissions^{5,6}. The GHG Protocol describes two methods that can be used to determine KPC's organisational boundaries:

The **equity share approach**: KPC is required to account for GHG emissions resulting from its operations based on its equity share in those operations.

The **control approach**: KPC accounts for all the GHG emissions resulting from operations over which it has *financial or operational control*. In this context, financial control refers to the organisation's ability to direct the financial and operating policies of its operations with a view to achieving economic benefits. Operational

⁴ IPIECA- Petroleum Industry Guidelines for Reporting Greenhouse gas Emissions, 2nd edition, May 2011

⁵ The GHG Protocol- A Corporate Accounting and Reporting Standard

⁶ IPIECA- Petroleum Industry Guidelines for Reporting Greenhouse gas Emissions, 2nd edition, May 2011

control, on the other hand, refers to the organisation's authority to introduce and implement operating policies.

2.4.1. KPC Organizational Boundary

The GHG baseline assessment adopted the operational control approach to ensure the baseline reflects the facilities and assets over which KPC has both accountability and influence in implementing strategic operational policies. Details of the facilities covered and assessed for GHG Baseline Report are captured in section 3, Organizational Profile.

2.5. Setting operational boundaries

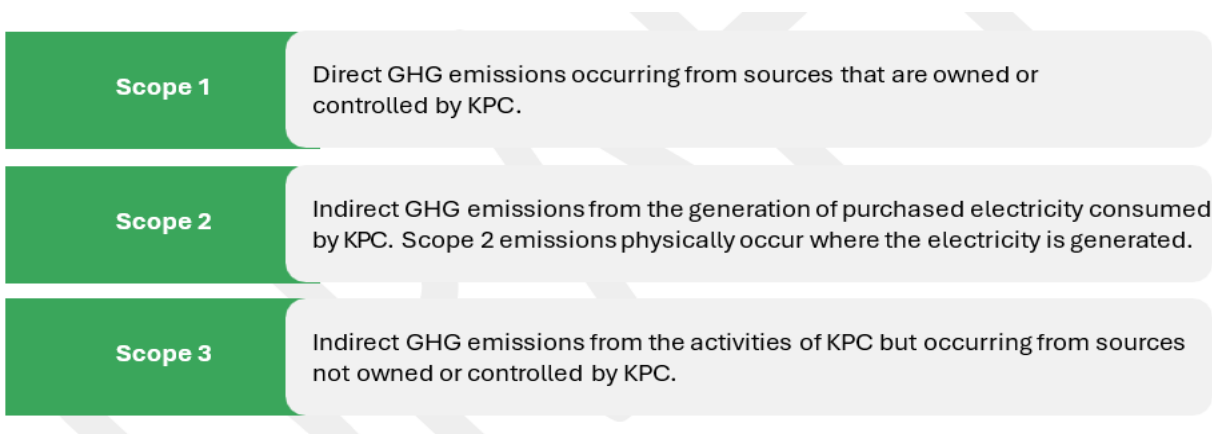
Operational boundaries refer to the scope of the emissions that are included in the organizational boundary, including emissions that are not from a company's assets, but which may occur as a result of the operation of its assets.⁷

Setting operational boundaries involved identifying emissions associated with KPC's own operations, categorising them as direct or indirect, and choosing the scope of accounting and reporting for indirect emissions.

- **Direct GHG emissions** are emissions from sources that are owned or controlled by KPC.
- **Indirect GHG emissions** are emissions that are a consequence of the activities of KPC but occur at sources owned or controlled by another company.

Three scopes are defined by GHG Protocol for carbon accounting and reporting purposes: Scope 1, Scope 2 and Scope 3.

Figure 2: Illustrates the scopes and emissions across KPC's value chain



2.6. Materiality

The concept of materiality in the context of GHG emissions relates to the relative importance and contribution of individual emission sources to KPC's overall GHG footprint. It provided the foundation for determining where to focus data collection, monitoring, reporting, and mitigation efforts. In practice, materiality serves as both a quantitative and qualitative filter: quantitatively, it identifies the sources that make up a substantial share of total emissions; qualitatively, it captures those sources that, while smaller in magnitude, are significant due to their potential for reduction, regulatory scrutiny, or stakeholder relevance.

⁷ IPIECA- Petroleum Industry Guidelines for Reporting Greenhouse gas Emissions, 2nd edition, May 2011

For Kenya Pipeline Company PLC (KPC), materiality is particularly crucial given the scale and complexity of its operations. KPC manages over 1,342 km of pipelines, marine terminals, depots, multiple pumping stations and office facilities each with distinct energy consumption profiles and emission characteristics. Some facilities, such as high-capacity pumping stations, are emission hotspots, while others, like administrative offices, contribute relatively less but may still hold relevance for stakeholder reporting or efficiency initiatives.

Materiality assessment ensured that KPC company's GHG inventory is not only accurate but also useful for decision making. Without this assessment, inventory risks becoming either incomplete (*by excluding significant sources*) or inefficient (*by allocating unnecessary resources to immaterial sources*). By focusing on what truly matters, materiality enhanced the credibility, transparency, and strategic value of the emissions baseline. Applying a materiality lens allowed for KPC to differentiate between these sources and prioritize accordingly as illustrated in section 4 below.

2.7. GHG Inventory

The greenhouse gas (GHG) inventory serves as the backbone of KPC's emissions assessment, providing a structured and transparent account of emissions across direct operations and the wider value chain. Developed in line with international best practice, the inventory ensures that emissions are quantified consistently and credibly, supporting compliance, voluntary disclosure, and strategic sustainability goals. Frameworks such as the IPCC Guidelines, the GHG Protocol, and IPIECA's sector-specific guidance provided the methodological foundation, ensuring that boundaries, scopes, data and reporting principles are clearly defined and globally comparable.

The process of developing the inventory began with setting organizational boundary, typically using the operational approach. Emission sources were then identified across Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (value chain emissions)⁸. Activity data was collected from operational records and financial disclosures and complemented by site visits using a comprehensive GHG emissions data collection template that was developed. Emission factors were selected from the sources highlighted in section 2.1 above prioritizing region-specific sources to ensure accuracy. Emissions were calculated using standardized equations, applying the latest global warming potentials (GWPs) from the IPCC AR6 to ensure consistency with international reporting⁹.

To strengthen credibility, the inventory incorporates uncertainty analysis and quality assurance procedures. Transparency is maintained by documenting assumptions, data gaps, and methodological choices, while independent verification aligned with ISO 14064 will enhance trustworthiness. The inventory shall be updated annually to reflect operational changes and methodological refinements, ensuring continuous improvement. Instances that may lead to improvement of the inventory arise from:

- Mergers and/or divestitures
- Enhanced data collection that leads to improvement of data accuracy.
- Adoption of improved GHG emissions calculation methodologies.
- Availability of updated or Kenya/region specific emission factors for calculations that used older EFs or global emission factors respectively.
- Updating the inventory after an independent verification exercise to incorporate feedback.

KPC shall maintain a GHG Recalculation Policy to ensure that its emissions inventory remains consistent and comparable over time, in line with the GHG Protocol Corporate Standard, the Scope 3 Standard, and GRI Standard restatement requirements. Historical emissions including the base year, shall be recalculated when significant structural or methodological changes occur, such as mergers or divestitures, adoption of improved

⁸ Refer to the KPC GHG Emissions Assessment Inventory 2026 for detailed information.

⁹ Using the IPCC AR5 GWP100 values (CO₂=1, CH₄=28 for fossil methane, N₂O=265, and R-410A=2256) allows greenhouse gas emissions to be converted into a common CO₂-equivalent metric, enabling consistent, comparable, and transparent accounting of climate impacts across different gases.

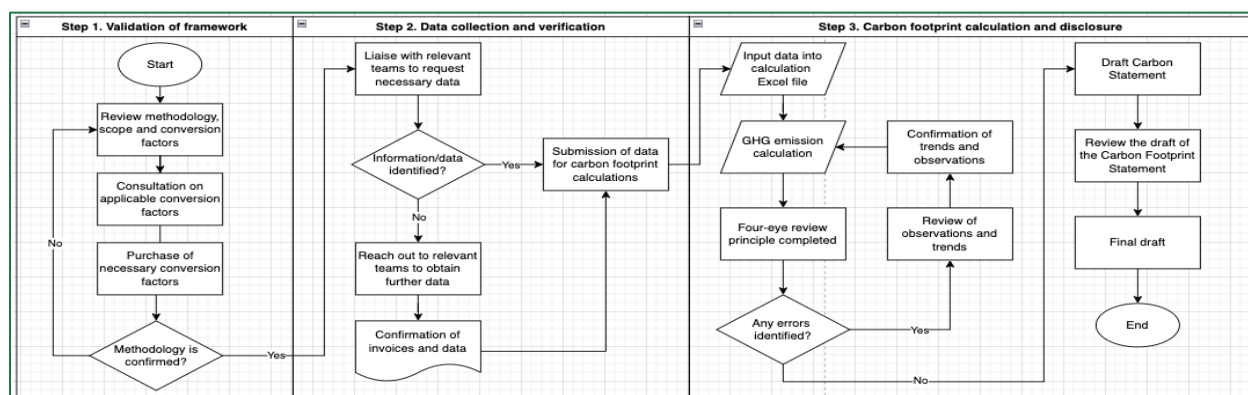
calculation methods, updates to emission factor datasets, or correction of material errors. A recalculation will be required when total corporate emissions change by 5% or more, or when emissions within any individual scope (Scope 1, Scope 2, or Scope 3) change by 10% or more.

Because the company estimated Scope 3 emissions using spend-based emission factors, additional recalculation triggers may apply to these categories. Recalculation will be required when updates to spend-based emission factor datasets (e.g., new EXIOBASE releases) change category-level emission intensities by 5% or more, when restatements of financial spend data alter category totals by 5% or more, or when changes in inflation treatment within the dataset result in a 5% or greater shift in total Scope 3 emissions. All recalculations and restatements shall be documented and disclosed to maintain transparency and alignment with GRI reporting expectations.

By adhering to the principles of relevance, completeness, consistency, transparency, and accuracy, the GHG inventory not only meets global disclosure standards but also provides a robust foundation for climate risk management and long-term sustainability strategy¹⁰.

Below is the schematic process followed during development of the inventory and report.

Figure 3: GHG Inventory and Report Preparation Process



The GHG Inventory consists of the following elements:

- I. Data collection template filled with GHG emissions activity data points for material sources
- II. Calculations for specific emission sources such as diesel, electricity, ACs, financed emissions, exchange rate working, employee survey, etc.
- III. Emission Factors relevant to the different activity data.
- IV. GHG emissions results tabs.
- V. Scope 1, 2, and 3 emission summaries and graphs.
- VI. Methodology which includes data and uncertainty treatment, assumptions and recommendations.

2.7.1. Methods of Quantifying Metrics

The approach to quantitative indicators for material emission sources employed the methods below. These methods are divided into two categories. It is important to note that the degree of accuracy generally corresponds with each category. The two categories are distinguished by declining accuracy level:

¹⁰ A detailed approach to methodology can be accessed from KPC GHG Assessment Methodology Document

- **Measurements method:** This was based on use of historically measured parameters such as water use in cubic meters, electricity consumption in kWh, fuel combusted in vehicles and generators in liters etc. Several parameters were used in the reporting of a given indicator. For instance, the GHG emitted from each scope 1 and 2 activities were calculated from the measurement of that parameter and multiplied by a specific emission factor assimilating to measured carbon equivalents for each activity.
- **Spent-based method:** The spent-based method estimates greenhouse gas (GHG) emissions by multiplying the financial value of a purchased good or service by an appropriate spend-based emission factor. This approach was applied for Scope 3 categories such as Purchased Goods and Services and Capital Goods, where emissions were calculated by multiplying the amount spent (converted from Kenya Shilling to EUR) by the corresponding emission factor.

For the EXIOBASE v3.11 dataset, the emission factors provided for reporting years 2024 and 2025 already incorporate inflation adjustments. These adjustments are based on economy-wide inflation rates sourced from the most recent International Monetary Fund (IMF) World Economic Outlook (average consumer price inflation). As a result, no additional inflation correction was required when applying EXIOBASE v3.11 emission factors for these reporting years. For aggregate regions (e.g., Rest of the World Africa), the inflation adjustment is done using GDP-weighted average inflation adjustment factors.

In practice, it is recommended that whenever economically and technically possible, the most accurate available category of quantification should be preferred i.e. measurement method commonly referred to as activity based GHG assessment methodology. The data quality is on average assumed to be of high quality and lower uncertainties of 5% - 10% are normally achieved.

2.8. Assumptions and Uncertainties

The assessment follows the GHG Protocol in approach and methodologies, as stipulated in the GHG Protocol Corporate Standard, GHG Protocol Value Chain (Scope 3) Standard, GHG Protocol Technical Guidance for Calculating Scope 3 Emissions, and GHG Protocol Scope 1 & 2 GHG Inventory Guidance. Calculation methodologies were selected based on data availability (i.e., activity data vs spend-based or average data methods). Where data was not available, calculations were not performed, and reasons for omission stated in the GHG Assessment Baseline Inventory and in section 5 of this report.

In general, assumptions were minimized to reduce complexity and model-sensitivity. For example, for Scope 1 mobile combustion (vehicles), KPC reported litres of diesel consumed. The single assumption made is that the driving practices, maintenance and fuel efficiency is standard for all vehicles. These assumptions can be overwritten as more refined data is gathered, i.e., car type, maintenance practices, fuel efficiency, and specific fuel consumption for each model, etc. Assumptions were documented in detail in the GHG Inventory.

2.8.1. Uncertainties

Uncertainties were limited to recommended thresholds as per the best-practice GHG assessment and reporting guides, such as the IPCC, API Compendium 2021, and IPIECA Guidelines. According to the IPIECA GHG Reporting Guideline, the types of uncertainties most amenable to assessment by companies preparing their own inventories are those associated with parameters (e.g., activity data, emission factors, and other parameters) used as inputs to an emission estimation model. Two types of parameter uncertainties can be identified in this context: systematic and statistical uncertainties.

The estimation of uncertainties employed the use of GHG Protocol guidance on uncertainty assessment in GHG inventories and calculating statistical parameter uncertainty Guide.

2.8.1.1. Systemic Uncertainties

In the context of KPC GHG baseline assessment, systematic uncertainty refers to persistent bias in data, whereby the mean of measured or estimated values consistently deviates from the actual (but unknown) parameter. Such bias may originate from the use of emission factors derived from non-representative datasets, application of incomplete or inappropriate estimation methodologies, or reliance on measurement instruments with inadequate precision or calibration¹¹. For example, Kenya's grid emission factors are provided by different agencies and these emission factors vary depending on calculation approach and application. Since the true value is unobservable, systematic bias cannot be detected through measurement replication and is not amenable to quantification via conventional statistical techniques. Instead, identification and, in some cases, quantification of systematic uncertainty require structured data quality assessments and expert elicitation.

Therefore, expert judgment within predefined protocols to evaluate potential sources of bias was elicited. The uncertainty for emission factors for activity-based calculations was set at +/- 10% as actual activity coefficient used to estimate the amount of GHG released by that activity was measured in another region other than Kenya/Africa. The uncertainty for EF for spent-based methodology was set at +/- 30% due to the difficulty in determining uncertainty of Environmentally Extended Input-Output transformation of Supply and Use tables since the economic data used to determine emission factors does not come with levels of confidence¹².

The implementation of a robust Quality Management System (QMS) that incorporates standardized procedures for selection of the emission factors used, data collection, verification, and methodological review was critical to minimizing systematic uncertainty in the GHG inventory.

2.8.1.2. Statistical Uncertainties

The parameters used to compile the emissions inventory are subject to statistical (random) uncertainty. This form of uncertainty arises from inherent variability, such as random human error during measurement processes or fluctuations in instrument performance (e.g., electrical meters and fuel gauges). Unlike systematic bias, random uncertainty can be detected through repeated measurements or data sampling. Ideally, where empirical data sets were available, such uncertainties were quantified statistically. Where sample sizes were insufficient to support robust statistical analysis, parameter uncertainties were derived through structured expert judgment.¹³

Referencing the GHG Protocol Uncertainty Guidelines, a typical, although arbitrary, scale is given in the table below. These ordinal values are based on quantitative confidence intervals, as a percentage of the estimated or measured value, in which the true value is likely to exist.

Table 1: Modified GHG Protocol Data Accuracy Scale

Data Accuracy	Methodology	Interval as Percent of Mean Value
High (company measurements and activity-based data)	Tier 3	+/- 5%
Good (company/supplier activity-based data)	Tier 3	+/- 15%
Fair (country/regional data)	Tier 2	+/- 30%
Poor (average industry data)	Tier 1	More than 30 %

¹¹ A practical example is the differences in values of emission factors for the same activity i.e. grid electricity emission factor for Kenya varies across different E.F providers. E.g. EPRA, IEA, UNFCCC etc. This variation is a result of use of different values and at times methodologies in determining E.Fs.

¹² EXIOBASE spend-based EFs used are derived from transforming Supply and Use tables into Environmentally Extended Input-Outputs. Since the economic data used does not come with uncertainty levels, it is difficult to approximate the uncertainty.

¹³ IPIECA GHG Reporting Guidelines- "Within the oil and natural gas sector, the *Uncertainty* guidance document outlines methodologies for quantifying both systematic and random uncertainties and for integrating these assessments to express the overall uncertainty associated with an emissions inventory".

Uncertainty of scope 3 activity data for activity-based emissions calculations was set at +/- 5% as the company had documented activity data. The total combined uncertainty for scope 3 emissions using the spent-based methodology was set at +/- 60% as guided by GHG Protocol Scope 3 Guidance where tier 1 methodology is used since the data provided was mainly the amount spend for purchase of goods and services and capital goods. For higher accuracy, it is advised that the spent data be maintained as basic price (Ex. Factory) and not as purchase price which includes transport, taxes and distributor margins. The use of purchaser price leads to over- or under-estimation of emissions.

3. Organisational Profile

This section provides details of KPC's organizational operations under which this assessment was conducted. It describes the specific assets, operations and activities that were included in the baseline assessment.

3.1. Overview of KPC's Operations

The main objective of the KPC is to provide efficient, reliable, safe and cost-effective means of transporting petroleum products from Mombasa to the hinterland. In pursuit of this objective, the Company has constructed a pipeline network, storage and loading facilities for transportation, storage, and distribution of petroleum products in Kenya and East Africa region. The current installed system consists of 1,342 kilometers of pipeline and current total storage capacity of 1,138,324 m3. This infrastructure is complemented by office facilities where administration operations are conducted.

3.1.1. Description of the KPC Pipeline Infrastructure

KPC's typical organizational infrastructure consists of the following assets.

Pipeline Infrastructure

KPC operates an extensive petroleum products pipeline network connecting the coastal region to the inland and western parts of the country. The core system comprises a 450 km, 14-inch diameter pipeline between Mombasa and Nairobi, formerly known as Line I. This pipeline was originally configured with four main pump stations located at Changamwe, Maungu, Mtito Andei, and Sultan Hamud, and was later upgraded through the addition of new pump stations and pumping equipment to enhance capacity and throughput.

To address capacity constraints and system ageing, a 20-inch diameter pipeline, known as Line V, was developed along the Mombasa–Nairobi corridor. Line V is the primary operational pipeline on this route and is designed for higher flow rates, with pump stations located at Changamwe, Maungu, Mtito Andei, and Sultan Hamud. Line I has since been decommissioned.

The former Line I system included multiple pump stations and depots across the corridor, including facilities at Kipevu Oil Storage Facility, Moi International Airport, Changamwe Depot, Samburu, Maungu, Manyani, Mtito Andei, Makindu, Sultan Hamud, Konza, Jomo Kenyatta International Airport Depot, and the Nairobi Terminal.

Beyond Nairobi, the pipeline network extends into western Kenya through the Western Kenya Pipeline Extension. This system incorporates multiple interconnected pipelines designated as Lines II, III, IV, and VI, linking Nairobi with Eldoret and Kisumu. These pipelines support inland fuel distribution and supply regional depots and pump stations.

Pump stations and depots along Lines II, III, IV, and VI are located at Ngema, Morendat, Soilo, Nakuru, Sinendet, Burnt Forest, Eldoret, and Kisumu.

Support Facilities

I. Headquarters:

- a. Located in Nairobi, housing corporate offices, engineering, finance, and regulatory compliance teams.
- II. **Regional Offices:**
 - a. Present in major towns along the pipeline route (Mombasa, Nakuru, Eldoret, Kisumu).
 - b. Handles local operations, stakeholder engagement, and depot management.
- III. **Training & Research Facilities:**
 - a. KPC runs Morendat Institute of Oil & Gas (MIOG) in Naivasha, Nairobi, and Eldoret, offering technical training in pipeline operations, safety, and energy management.
- IV. **Control & Monitoring Systems:**
 - a. Centralized SCADA (Supervisory Control and Data Acquisition) system for real-time monitoring of pipeline integrity, flow rates, and leak detection.

Key Technical Features

Table 2: Technical features of KPC Facilities

Component	Function
Pipeline network	Steel pipelines with corrosion protection and cathodic systems for long-distance transport of refined petroleum products.
Pumping Equipment	Maintains flow and pressure along the pipeline [Main equipment is high flow rate pumps, Variable Frequency Drives (VFDs), HVAC, generators, mainline and booster pumps, Oil Water Separators, fire pumps].
Storage Depots	Bulk storage petroleum tanks, water tanks, truck loading, and regional distribution infrastructure.
SCADA System	Real-time monitoring, leak detection, and operational control
Training Institute	Capacity building for engineers, technicians, energy professionals and all other staff

3.1.2. Map of facilities within the business corridor

Below is the list of all the facilities that were assessed to identify sources of GHG emissions for KPC.

Table 3: KPC's Organizational Boundary under GHG Assessment

Site/Asset	Site/Asset
KPC Head Office	1342 km Pipeline infrastructure
PS 1-Changamwe	PS 10-Nairobi terminal and
PS 14-Kipevu	PS 22-Ngema
PS 12 -Moi International	PS 23-Naivasha
PS 2- Samburu/Taru	MTCC-Naivasha
PS 3-Maungu	PS24- Soilo, Nakuru
PS 4-Manyani	PS 25-Nakuru Depot
PS 5-Mtito Andei	PS 26-Sinendet
PS 6-Makindu	PS 26A-Burnt Forest
PS 7-Sultan Hamud	PS 27-Eldoret Depot
PS 8-Konza	PS 28-Kisumu Depot
PS 9-Embakasi	KPRL

Source: KPC RFP: KPC/PU/RT - 192(HSE) NBI/24- 25

3.1.3. Summary of operations relevant to emissions

Determination of operations relevant to GHG assessment was conducted using a detailed review of KPC's management documents complemented by site visits to the above listed sites. Document review included:

- I. Governance documents (KPC Strategy, board charters)
- II. KPC Annual Financial report- 2024/25 and 2025/26
- III. Management reports to identify departmental roles and activities
- IV. Operations and Maintenance Reports (SHEM Reports, Energy Audit Reports, Air Quality Assessment Reports)
- V. Site Visit Report¹⁴
- VI. Oil and gas industry GHG Emissions Guidelines (GRI 11, IPIECA, API Compendium)
- VII. Kenya's Nationally Determined Contributions (NDCs) and National GHG Inventory

Jointly, document review and sites visit provided a solid foundation and background that enabled identification of relevant operations that were included in this assessment.

Aligned to the GHG Protocol Corporate Value Chain GHG Assessment, below is the list of material operational activities that were included in this assessment. However, some operations such as waste generated in operations did not meet GHG assessment data requirements i.e. disaggregated solid waste was not tracked during the reporting period hence were excluded in the inventory calculations and results. Below is the list of material operational activities aligned to GHG Protocol categories

Figure 4: list of material operational activities aligned to GHG Protocol categories

Scope 1	Scope 2	Scope 3
- Fuel combustion in vehicles & helicopter - Fuel combustion in generators - Fugitive emissions (Air conditioners)	Grid electricity consumption	- Purchase of goods and services - Capital goods - Electricity transmission and distribution losses - Administration services - Sales and marketing activities - Legal and consultancy services - Waste generation - Water consumption - Employee commuting - Business travel - Investments

4. Materiality Analysis

4.1. Assessment criteria

A structured technical approach used for the materiality assessment of GHG emissions sources for KPC was organized around the following four dimensions, with clear criteria and analytical steps that make the assessment transparent.

¹⁴ Further details on site visits can be accessed from KPC Site Visit Report 2025

4.1.1. Magnitude

The objective of considering magnitude was to help identify and prioritize emission sources based on their quantitative contribution to KPC's overall GHG footprint.

Approach:

- Data Collection: where data was available, activity data was gathered across identified operations (fuel combustion, air conditioning, electricity use, transport, etc.).
- Calculation: Application of relevant emission factors, normalized to CO₂ equivalent.
- Thresholds: Defined materiality cut-offs for sources contributing <0.5% of total emissions).
- Comparative Benchmarking: Compared intensities (kgCO₂e per km of pipeline, per unit throughput) against regional and global peers.
- Output: Ranked sources by absolute and relative magnitude, highlighting “hot spots” such as electricity and fuel consumption, capital goods, and purchased goods and services.

4.1.2. Emissions Reduction Potential

Assessment of technical and economic feasibility of reducing emissions from each source was conducted.

Approach:

- Technology Options: Identification of available mitigation measures (e.g., energy efficiency, renewable integration, resource use efficiency).
- Scalability: Consideration of operational constraints (pipeline integrity, energy security).
- Time Horizon: Distinguished between short-term “quick wins” (e.g., improved maintenance) and long-term structural changes (e.g., renewable-powered pumping).
- Output: Ranked sources by reduction potential, highlighting high-impact interventions.

4.1.3. Regulatory Relevance

The objective was to align emissions sources with current and emerging regulatory frameworks in Kenya and internationally.

Approach:

- National Context: Mapping of sources against Kenya's Climate Change Act, NDC commitments, and sectoral regulations (energy, transport, oil & gas targets).
- Regional/Global Standards: Considered IPECA GHG Reporting Guidelines, GHG Protocol, GRI 11: Oil and Gas and IFRS S2 Standards.
- Compliance Risk: Identified sources likely to face stricter reporting or reduction requirements (e.g., energy and resource consumption under local and global oil & gas initiatives).
- Policy Trends: alignment to the evolving carbon pricing, disclosure mandates, and ESG reporting frameworks.
- Output: Flagged sources with high regulatory exposure, prioritizing them for monitoring and proactive mitigation.

4.1.4. Stakeholder Concern

The objective was to capture perceptions and expectations of stakeholders regarding emissions sources.

Approach:

- Internal Stakeholder's expectations were considered to assess management priorities, e.g. ESG ambition, cost, operational risk, and reputational exposure.
- External Stakeholders: Conducted mapping of concerns of regulators, investors, customers, and civil society.
- Materiality Matrix: Plotted stakeholder concern vs. emissions magnitude to visualize priority areas.

- Disclosure Sensitivity: Identified sources that attract scrutiny (e.g., electricity consumption, oil leaks, community health impacts,).
- Output: Highlight sources where stakeholder concern amplifies materiality, even if quantitative magnitude is moderate.

4.2. Scoring system and rationale

A Materiality Assessment Matrix that cross-references the four dimensions for each emissions source is illustrated in the table below. The scoring rubric was used to determine materiality of emission sources and their relevance to KPC and its stakeholders. (Scores: 1=very low; 2=low; 3=medium; 4=high and 5=very high)

Table 4: Materiality Matrix for KPC GHG Emission Sources

Emission Source	Magnitude	Reduction Potential	Regulatory Relevance	Stakeholder Concern	Overall Score	Overall Materiality
Fuel combustion (vehicles, generators)	4	4	4	5	4.25	Critical
Grid electricity consumption	4	3	4	5	4.00	Critical
Air conditioning & ventilation	3	3	3	3	3.00	Significant
Purchase of goods & services	4	2	3	3	3.00	Significant
Infrastructure (capital goods)	4	4	4	4	4.00	Critical
Maintenance of infrastructure	3	4	4	4	3.75	Significant
Sales & marketing activities	2	2	2	3	2.25	Low
Legal & consultancy services	2	2	2	2	2.00	Low
Waste generation (solid & sludge)	3	4	5	4	4.00	Significant
Employee commuting	3	3	3	4	3.25	Moderate
Business travel	3	3	3	3	3.00	Moderate
Investments (Shares in Bank)	2	2	2	2	2.00	Low
Water consumption & discharge	4	4	4	4	4.00	Significant

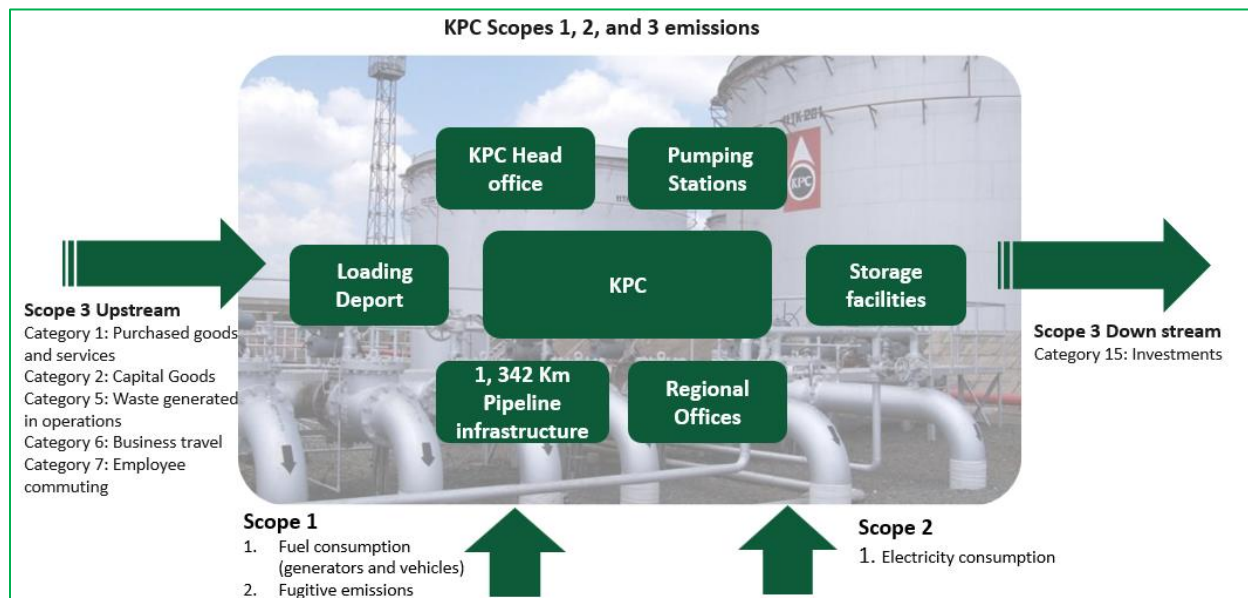
Rationale

- Critical Sources: Fuel combustion, grid electricity, capital goods are the most material due to their high magnitude, strong regulatory exposure (transport, energy generation, & construction), and strong stakeholder concern (air quality, climate impact).
- Significant Sources: Air conditioning & ventilation, purchase of goods/services, waste generation and water use/discharge all rank high due to regulatory relevance and stakeholder visibility.
- Moderate Sources: Employee commuting, business travel, and investments have moderate materiality. It is important for disclosure but secondary to operational emissions.
- Low emission Sources: Legal/consultancy services and financial investments have low direct GHG impact, though they may carry reputational or governance relevance.

4.3. Identification of priority emission sources

The materiality assessment report culminated into prioritizing KPC's emission sources as illustrated in figure 3 and table 3 below.

Figure 5: KPC Operational Boundary and Scope 1,2,& 3 Emission sources



The material emission sources were then mapped to GHG Protocol scope 1,2, and 3 as shown in the table below.

Table 5: KPC Emission Sources

Scope	Category	Activity	Data Availability ¹⁵
Scope 1	Stationary combustion	Generation of electricity using generators	☑
	Mobile combustion	Vehicles & helicopter	☑
	Fugitive Emissions	Air conditioning	☑
Scope 2	Indirect emissions	Grid electricity consumption	☑
Scope 3	Category 1: Purchase of goods & services (amount spent KES)	Facility management	☑
		Computer and related services	☑
		Advertising & marketing activities	☑
		Legal & consultancy services	☑
		Telecommunication	☑
		Furniture, other office equipment and fittings	☑
		Paper consumption	☑
	Category 2: Capital goods (amount spent KES)	Movable (machinery, equipment, vehicles, pipeline)	☑
		Immovable (Buildings, roads)	☑
	Category 3: Fuel and energy-related services	Grid electricity transmission and distribution lose	Not Available
	Category 5: Water and waste	Water use	☑
		Wastewater	☑
		Waste generation (solid)	Not Available
		Sludge	☑

¹⁵ Data for generators, ACs, electricity and water consumption was disaggregated per site albeit a few sites where data was missing. The rest of the activity data available was aggregated at company level i.e other scope 3 sources and mobile combustion.

	Category 6: Business travel	Flight, rail, road	☒
	Category 7: Employee commuting	Own vehicles	☒ (survey)
		Public vehicles	☒ (survey)
	Category 15: Investments	Shares in Bank	☒

From the materiality assessment, only seven Scope 3 categories were identified and quantified. In accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard, all omitted categories must be explicitly justified. The following categories were excluded because there was no credible data at the time of the assessment or the sources were immaterial to KPC's business model, ownership boundaries, and value-chain relevance.

Category 3: Loses due to electricity transmission and distribution

Emissions associated with transmission and distribution losses could not be quantified during the assessment because the necessary activity data and region-specific emission factors were not available. However, KPC will endeavor to assess and include these emissions in subsequent report.

Category 5

Emissions from waste generated in operations were not calculated due to the absence of reliable waste-handling data and treatment-specific practices. The company will work to improve data collection processes and engage suppliers and waste contractors to obtain the information required for full GHG Protocol-aligned reporting in future inventories.

Category 8 – Upstream Leased Assets

KPC does not operate upstream leased assets. All assets used in operations are owned by KPC or fall within Scope 1 and Scope 2 boundaries. No upstream leased facilities or equipment exist that would generate material emissions.

Category 9 – Downstream Transportation and Distribution

KPC does not own or control downstream transportation assets, nor does it contract distribution services for sold products. Once products leave KPC custody, transportation is managed by third parties outside KPC's value-chain boundary. As such, emissions are immaterial and excluded.

Category 10 – Processing of Sold Products

KPC does not sell products that undergo further processing. The company transports refined petroleum products owned by third parties. Because KPC does not own the products and does not sell them, no downstream processing emissions are attributable to KPC.

Category 11 – Use of Sold Products

This category is typically the most material for oil & gas companies, as combustion of fuels (e.g., petrol, diesel, jet fuel) represents the dominant share of lifecycle emissions. However, KPC does not own the petroleum products transported through its pipeline system. Ownership remains with shippers and marketers throughout the value chain. KPC provides a transportation service only, and therefore has no sold products under the GHG Protocol definition. Because KPC does not sell fuels, it has no Scope 3 Category 11 emissions, making this category immaterial and excluded.

Category 12 – End-of-Life Treatment of Sold Products

As KPC does not sell products, there is no end-of-life treatment attributable to KPC. This category is therefore not relevant.

Category 13 – Downstream Leased Assets

KPC does not lease downstream assets to third parties. All leased assets fall within operational control and are already accounted for in Scope 1 and Scope 2. No downstream leased assets exist, making this category immaterial.

Category 14 – Franchises

KPC does not operate a franchise business model. No franchised operations exist within the organizational boundary. This category is not applicable.

The excluded Scope 3 categories (4, 8, 9, 10, 11, 12, 13, and 14) were assessed and determined to be immaterial based on KPC's business model, ownership boundaries, and the nature of its operations as a pipeline transportation company.

4.4. Data Sources and Collection

The GHG assessment relied on a comprehensive suite of data sources and collection methods designed to ensure completeness, accuracy, and traceability across KPC's operations. A GHG data collection template designed to align with the GHG Protocol Corporate Reporting activity data for material scope 1, 2 and 3 emission sources was assigned to KPC Project Implementing Team (PIT). Activity data was then compiled from historical operational records, for water, sludge, fuel and electricity consumption logs. Data was also collected from Annual Financial Report 2025 and 2026, maintenance reports, and existing environmental documentation, complemented by targeted staff surveys and ad hoc interviews to fill information gaps. Site visits to key facilities was conducted to provide direct observation, verification of equipment and processes, and validation of reported data. Together, these methods established robust evidence base for quantifying emissions and strengthening the credibility of the overall inventory¹⁶. Detailed GHG data collected and sources is documented below in section 5 and in the GHG Inventory.

5. Emission Sources Identified

5.1. Scope 1

Scope 1 refers to direct GHG emissions sources owned or controlled by KPC. Direct GHG emissions are principally the result of the following types of activities undertaken by KPC:

- Stationary combustion for power generation (Generators)
- Mobile combustion relevant to all vehicles owned and/or controlled by KPC
- Fugitive emissions from ACs and other maintenance processes

The calculations for stationary and mobile combustion were based on the consumption of a particular fuel (e.g., diesel, petrol) in standardised volumes (litres), multiplied by the Emission Factor.

5.1.1. Stationary combustion for power generation

Stationary combustion for Scope 1 for KPC is typically embedded in the generators used to back up power at the facilities. Since the generators are majorly fuelled by diesel, the fuel bills and payment orders showing the litres were used to calculate the emissions. The EFs used are provided by DEFRA as Kenya does not have its emission factors for stationary combustion. The EF is given in MKS units (kgCO₂e/unit), and the units for consumption are litres (l) for volume¹⁷. Section 6 provides a summary of the results extracted from KPC's GHG Inventory¹⁸.

¹⁶ Refer to appendix A and the KPC's GHG Assessment Inventory for sample data collection template used.

¹⁷ Assumption: the reported consumption value was 100% mineral diesel

¹⁸ Refer to KPC's GHG Inventory for detailed approach.

Data quality was ranked good at an interval of ± 5 percent providing high level of certainty as delivery records and bills made estimation of fuel consumed easy. The carbon content for diesel consumed is almost standard, so emissions factors are accurate. To improve accuracy, the company shall maintain actual fuel consumption logs in liters for each generator model.

Table 6: Stationary combustion data

Activity	Unit	Reported Value 2024/ 2025	Reported Value 2025/2026
Stationary combustion for power generation	Diesel (l)	57,007.61 ¹⁹	52,447.42

5.1.2. Mobile combustion of vehicles

Mobile combustion of vehicles is embedded in the transportation of materials and people within KPC's operations. These emissions result from the combustion of fuels in vehicles and helicopter owned or operated by KPC, such as heavy-duty trucks, buses, helicopters and passenger cars.

GHG estimation methodology is the same as that of stationary consumption (whereby the appropriate fuel, such as petrol or diesel) was multiplied by the Emission Factor. The EFs used are provided by DEFRA with technical reference to IPCC 2006 GL Vol. 2 Ch.3 Tier 2- mobile combustion, as Kenya does not have updated emission factors for mobile combustion²⁰. The EF is given in MKS units (kgCO₂e/unit), and the units for consumption in volume are litres (l). Available data provided for this assessment is indicated in the table below.

Data quality was ranked good at an interval of ± 5 percent providing high level of certainty as delivery records and bills made estimation of fuel consumed easy. The carbon content for diesel consumed is almost standard so emissions factors are accurate. To improve on accuracy, the company shall maintain actual fuel consumption logs in liters for each vehicle type and model.

Table 7: Mobile combustion data

Activity	Unit	Reported 2024/2025 Value	Reported 2025/2026 Value
Mobile combustion of vehicles	Vehicle (petrol, l)	37,844.58	14,574.52
	Vehicle (diesel, l)	452,792.17	509,989.90
Mobile combustion of helicopter	Helicopter (Aviation turbine fuel, l)	49,960.00	-

KPCs fuel consumption was calculated from fuel bills data submitted for this assessment²¹. Assumption made was that there were no post combustion emission controls, driving patterns are consistent and there was no use of additives to minimize aging effect of catalysts.

5.1.3. Fugitive Emissions from Air Conditioning

For the purposes of this assessment, fugitive emissions refer to the unintentional release of emissions from sources that can include equipment leaks, venting or non-point evaporative sources, such as wastewater treatment systems and pit impoundments, as well as unintentional losses from electrical transformers and refrigeration systems. For KPC, fugitive emissions are associated with air conditioning, refrigeration units, venting and treatment of sludge.

¹⁹ The figure was calculated from data submitted for this assessment. The methodology and results have been maintained in the 'calculation tab' of the GHG Inventory.

²⁰ According to the Kenya National GHG Inventory, the country largely imports vehicles from Asia and Europe hence the use of DEFRA E.Fs

²¹ The figure was extracted from Fuel Consumption Data submitted for this assessment. The methodology and results have been maintained in the 'calculation tab' of the GHG Inventory.

The results from material assessment indicated that fugitive emissions were concentrated in use of air conditioners (ACs) .

The other potential sources such as venting, valve release and waste oil separator were deemed insignificant^{22,23}. For most types of midstream and downstream operations, fugitive carbon dioxide and methane emissions are insignificant compared to combustion and process emissions (IPIECA)²⁴. Similarly, according to the API GHG Compendium, total hydrocarbon emissions and/or VOC emissions are commonly estimated from liquid loading, ballasting, and transit operations associated with refined petroleum liquids²⁵.

The Compendium describes CH₄ and CO₂ emissions as not expected from these operations as refined petroleum products do not contain significant CO₂ or CH₄. Pipeline fugitive emissions, specifically methane releases from pump seal venting and valve fugitive sources were evaluated in accordance with API PUB 4588 and determined to be not material for liquid petroleum pipeline operations given their typically low leak potential and the predominantly liquid-phase service conditions. While these sources do not materially influence the overall GHG inventory, it is recommended that a targeted venting and leakage assessment to be conducted during the next scheduled asset integrity inspection to determine chemical composition of all transported fuels, verify equipment condition, confirm the continued immateriality of these emission points, and ensure alignment with best-practice emissions management.

Fugitive emissions due to use of ACs was calculated based on number of ACs, average charge of the ACs, operating emissions then applying the refrigerant Global Warming Potential (GWP).

Assumptions:

Average refrigerant charge per unit: 1.8 kg (Small split AC)

Annual leakage rate: 10%/year (default leakage rates in IPCC/US EPA guidelines)

GWP R-410A: 2256 kgCO₂e/kg

Data quality : +/-10% uncertainty

Recommendation:

Emissions estimated may be under- or over-estimated, the calculations can be repeated using updated (measured) assumptions (i.e., actual gases, leakage rate and single out old ACs of 8-10 years if still in use as they are more prone to leakages) moving forward. If improved calculations prompt it, the adaptation of the Mass Balance Method is recommended (where data can be collected from contractors that maintains equipment: tracks emissions from installation, servicing and disposal and purchase records) or use the IPCC 2006 vol.2 ch.7 Tier 2 (refrigerant sales method for next inventory cycle).

Table 8: Air Conditioners data

Activity	Unit	Total Value Reported 2024/2025	Total Value Reported 2024/2026
Air conditioners	Number	484	482

5.2. Scope 2

Scope 2 GHG Emissions accounts for the emissions from the generation of purchased electricity consumed by KPC. The principles are defined in the basic GHG protocol and the Scope 2 guidance. (GHG Protocol 2004) (GHG Protocol 2015) Scope 2 is utilised as part of IFRS S2.

²² Review of KPC's Source Emissions Testing Report did not indicate significant GHG emissions from the tested sites.

²³ For detailed methodology and assumptions, refer to the KPC GHG Assessment Methodology Document

²⁴ IPIECA. Petroleum industry guidelines for reporting greenhouse gas emissions-Second edition

²⁵ API GHG Compendium. D.1 "Weathered" Crude and Other Petroleum Product Vented CH₄ and CO₂ Emissions.

For KPC, purchased electricity is one of the largest sources of GHG emissions and the most significant opportunity to reduce them. Typically, it is possible to reduce Scope 2 (reduce electricity consumption) by accelerating investment in energy-efficient technologies and energy conservation.

The Scope 2 approach used in this assessment was location-based-(GHG Protocol 2015). The calculation utilized the two parameters: megawatt hours consumed in the reporting year 2025-2026 and application of EPRA's average grid emission factor to align with the 2024/25 and 2025/26 reported country's emissions due to electricity generation²⁶.

Electricity-related data required for market-based Scope 2 accounting such as renewable energy certificates (RECs), power purchase agreements (PPAs), or other contractual instruments is not applicable for this reporting period, as the company does not purchase renewable electricity from external suppliers. The company operates a grid-tied solar installation; however, in alignment with the GHG Protocol Scope 2 Guidance, only **location-based** emissions are reported at this time. Market-based emissions will be incorporated in future inventories once appropriate contractual instruments are established and verifiable data becomes available. Data quality was deemed high with a 5% uncertainty due to meter reading errors. The high certainty of data used is because KPC measures and tracks electricity consumption from the grid using site specific meters on a monthly basis.

Table 9: Electricity consumption data

Activity	Unit	Total Value Reported 2024/2025	Total Value Reported 2024/2026
Electricity consumption	MWh	149,901.68 ²⁷	174,646.31

5.3. Scope 3

Scope 3 GHG emissions result from KPC's activities that occur from sources not owned or controlled by KPC. The GHG emissions are in general, described in the *GHG Protocol* document, but details about Scope 3 are supplied in two separate documents:

- The Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard. (GHG Protocol 2011).
- The Greenhouse Gas Protocol, Technical Guidance for Calculating Scope 3 Emissions. The protocol describes the 15 different categories of the Scope 3: (GHG Protocol 2011).

Using results from the materiality assessment, the following scope 3 emissions were assessed depending on availability of data. Since the available data for scope 3 categories 1, 2 and 6 was total expense (KES) for the reporting year, the calculation employed the spent-based approach while for categories 5 and 7, activity-based calculation approach was applied. Category 15 investment was calculated using the PCAF methodology and EXIOBASE emission factor for ROW-Africa financial sector as KPC has shares at Consolidated Bank²⁸.

Category 4 (Upstream Transportation and Distribution) emissions associated with transporting petroleum products to KPC's Mombasa terminal were excluded from this assessment. Under the established commercial and operational arrangements, upstream oil companies retain full responsibility for transporting their commodities to the terminal; therefore, these upstream logistics fall outside KPC's operational control boundary. In line with the GHG Protocol Scope 3 Standard, emissions from activities not owned, operated, or controlled by the reporting company, and for which the company has no decision-making authority are not required to be

²⁶ EPRA. Energy and Petroleum Statistics Report for the Financial Year ended June 2025.

²⁷ The indicated value applies to total company level power consumption. KPC tracks site specific data for all its pump stations and offices. However, there was instances of gaps where some sites had missing data for particular months. The assumption made is that these gaps were due to zero usage of electricity during that month or there was a switchover to another meter that serves the same site.

²⁸ Detailed methodology, calculations including conversion values, emission factors and assumptions are well documented in the KPC GHG Emissions Assessment Inventory.

included. As such, upstream T&D to the Mombasa terminal is considered outside KPC's Scope 3 Category 4 boundary.

Below is the detailed material scope 3 categories that were assessed for the year 2024/2025 and 2025/2026.

Table 10: KPC Scope 3 Emissions Activity Data

Activity	Sub-activity/Unit	Reported Data 2025 ²⁹	Reported Data 2026 ³⁰
Purchased goods and services (Cat. 1)	Advertising and marketing services (EUR)	662,619.18	1,062,744.46
	Computer and related services (EUR)	3,184,380.96	1,983,521.78
	Telecommunication services (EUR)	386,932.41	405,124.89
	Legal services (EUR)	929,252.77	1,394,036.54
	Paper for office supplies (EUR)	27,876.86	18,484.35
Non-production-related procurement	Facility management (EUR)	10,922,808.06	11,077,473.16
	Office equipment, furniture, fittings (EUR)	12,904,980.18	179,232.83
Movable assets (Cat.2)	Equipment, machinery, pipeline infrastructure	9,435,911.80	23,943,414.41
	Vehicles (EUR)	616,566.05	641,803.45
Immovable assets (Cat.2)	Properties, Office buildings-Construction(EUR)	1,995,326.17	812,275.72
Intangible assets (Cat.2)	Software (EUR)	2,202,248.59	2,074,363.95
Business travel	Flight (EUR)	619,579.98	833,094.93
	Rail (EUR)	6,597.42	12,271.85
	Taxi, bus, mileage (EUR)	187,591.95	211,722.21
	Kenya 4-star hotel (EUR)	4,157,049.87	5,631,824.47
Water consumption	m3	158,749.00	170,510.00
Water-treatment ³¹	m3	158,749.00	170,510.00
Sludge treatment	Tonnes	316.72	343.59
Waste Oil	Liters (l)	200.50	-
Employee Commuting ³²	Petrol (l)	161,305.00	457,900.11
	Diesel (l)	17,823.00	-
	Public travel (passenger-mile)	388,786.77	2,639,519.69
Investments (Cat.15)	Shares (EUR)	17,538.37	16,363.88

Source: KPC GHG Emissions Inventory Report 2025/2026

²⁹ 2025 KES to EUR exchange rate of 148.9. Source (<https://www.centralbank.go.ke/forex/>) av. 2024/2025

³⁰ 2026 KES to EUR exchange rate of 150.0 respectively. Source (<https://www.centralbank.go.ke/forex/>) av. 2025/2026

³¹ Assumption: Total water used ends up as waste water. Once tracking of waste water is put into effect, GHG estimations will become more accurate.

³² Partial disclosure in 2025 as 13.4% of total employees responded to the survey that was conducted . (The respondents were H/O staff at 66.2% response rate). Full disclosure in 2026 at a response rate of 31 percent of total employees. Assumptions made is that employee commuter practices are standard across the company apart from HO staff .

Data quality for spent based emissions estimation was fair. Uncertainty of activity data for activity-based emissions calculations was set at +/- 5% as the company has documented actual data that was used. Example of these data are water consumption and sludge treatment.

The uncertainty for scope 3 emissions using the spent-based methodology was set at +/- 30% since the activity data used was mainly the amount spent for purchase of goods and services and capital goods. The spent data is required to be maintained as basic price (Ex. Factory) and as opposed to purchaser price which includes transport, taxes and distributor margins. Additionally, the uncertainty of spend-based emission factors is not supplied by the EF provider. Therefore, expert judgment in determining the thresholds was elicited.

Spent-based methodology is the least accurate approach for calculating scope 3 emissions but this provides the basis for future improvement in supply chain data management; activity based being the most preferred and calculation approach.

Below is the table showing the calculated uncertainties for the activity data used for the three scopes.

Table 11: Combined Calculated Uncertainties

Table 11: Combined Calculated Uncertainties		
Category	Activity data Uncertainty	Combined Uncertainty
Activity-based Methodology		
Mobile combustion	5%	+/-16.6% Data is good
Stationary combustion	5%	
Air conditioning	10%	
Purchased electricity	5%	
Water consumption	5%	
Water treatment	5%	
Sludge treatment	5%	
Waste oil	5%	
Spent-based and Survey Methodology		
Purchased good and services	30%	+/-60% Data is poor
Capital Goods	30%	
Business Travel	30%	
Employee commuting	30%	

The sum of squares approach was used to calculate the confidence interval for the product of two or more factors. The relative confidence interval (the plus or minus percent) of the product is the square root of the sum of the squares of the relative (percent) confidence intervals of each factor³³.

5.4. Justification of Exclusions

The importance of materiality assessment was to help identify which emissions were critical for assessment and reporting. It also provided the basis for excluding certain emission sources such as downstream combustion (use of sold products) as KPC does not own the fuel transported through its infrastructure. Similarly, Category 4 (upstream transport and distribution to its terminal) emissions were excluded because the movement of petroleum products to the Mombasa terminal is undertaken solely by upstream oil companies under the

³³ Section 7: Combining uncertainties for indirectly measured single-source emissions (Step 3). Short Guidance for Calculating Measurement and Estimation Uncertainty for GHG Emissions -GHG Protocol guidance on uncertainty assessment in GHG inventories and calculating statistical parameter uncertainty.

commodity transport boundary. In line with GHG Protocol Scope 3 Standard , these activities fall outside KPC’s operational control boundary

Other exclusions such as fugitive emissions from pipeline leaks, venting, pressure release from the pipeline, storage tanks and oil water separators were justified in alignment to API Compendium Guidance which guides that refined petroleum products contain insignificant GHG emissions mainly carbon dioxide and methane unless site specific data indicates otherwise. For the case of KPC, no site-specific measurements have been conducted to confirm this.

Excluded emissions sources from solid waste was due to unavailability of data for the reporting period. However, KPC has put in place measures to collect this data for subsequent assessments.

The employee survey achieved a 35% response rate for total company employees. This figure is derived from 481 completed responses out of 1,377 employees. It is important to note that 65% of the total respondents indicated they use private vehicles while only 23% use public vehicles. These numbers may be an outlier as when HQ, PS9 and PS 10 respondents are excluded, 41% of the respondents use private vehicles while 52% use public means while 7% use other means. Non-HQ workforce is significantly larger, including field personnel stationed across the other Pump Stations (PSs). As a result, the current response rate reflects extrapolation of non-HQ respondents and have been generalized to the entire company to limit bias that arises from differences in commuter practices between HQ and non-HQ employees. This structural data gap shall be addressed in future GHG accounting by conducting a detailed company -wide survey.

6. GHG Assessment Results

KPC’s GHG emissions results follow a similar trend reported for the oil and gas sector whereby scopes of GHG emissions are unevenly distributed across scope 1,2, and 3. This is due to the differences in business models which impacts energy use, production processes, use of material, and consumption of goods and services. This variability was also observed by the MSCI in one of their analyses where they assessed listed companies of which the top ten emitters were in the oil and gas sector and showed differences in emission quantities along the three scopes. The breakdown of individual scopes and their associated categories for the assessed issuers are further presented in table 12 below.

Table 12:Emissions from MSCI Listed Companies

Issuer	Country	Total carbon emissions [million tons of CO2e]*	Scope 1 emissions [million tons of CO2e]	Scope 2 emissions [million tons of CO2e]	Scope 3 emissions [million tons of CO2e]	Carbon emission scope 3 reported [millions of tons of CO2e]	Reported emissions (sum) as a percentage of MSCI estimated total emissions**	Ratio of total company emissions (reported/estimated) vs MSCI ACWI IMI total emissions****	Does the company have a self-declared net-zero target? (Y/N)
Saudi Arabian Oil Company	Saudi Arabia	2167.7	74.9	6.42	2086.4	Not Available	Estimated only***	2.1%	Y
Coal India Ltd.	India	1121.7	19.1	1.81	1100.8	Not Available	Estimated only***	1.1%	Y
PetroChina Company Limited	China	873.8	121.4	38.15	714.3	Not Available	18%	0.8%	N
Exxon Mobil Corporation	U.S.	834.5	110	7	717.5	530	78%	0.8%	Y
BHP Group Limited	Australia	787.7	9.2	3.1	775.5	328.5	43%	0.8%	Y

ⁱSource: MSCI Net-zero Tracker, May 2023

6.1. Consolidated Footprint Results

Similarly, KPC's emissions assessment shows that GHG emissions are concentrated in scope 3, accounting for 65.42 per cent of total emissions in 2026 down from 68.25 per cent in 2025. Majority of these emissions are generated from supply chain purchase of goods and services and capital goods.

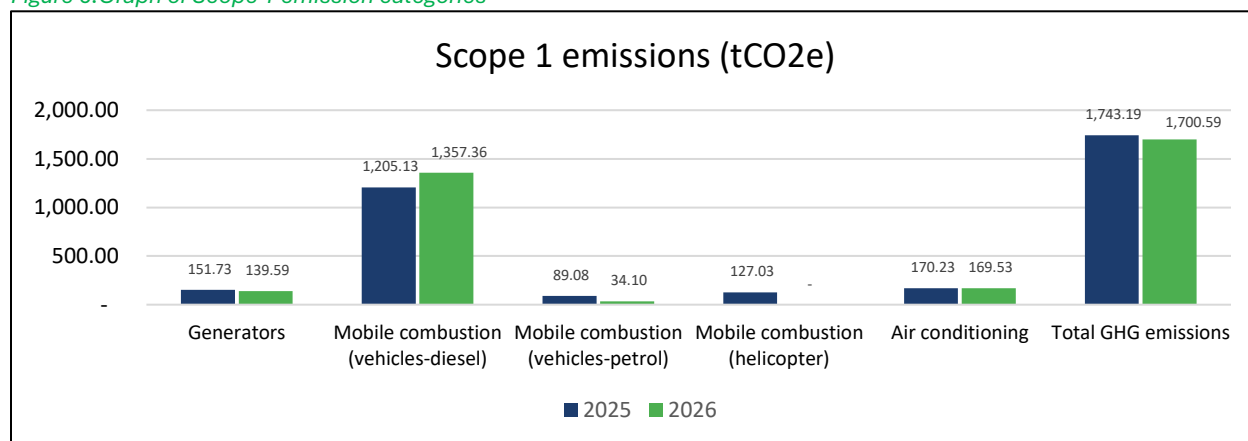
Scope 2 emissions accounted for 29.61 per cent in 2026 up from 26.21 per cent in 2025 of the total Company emissions while Scope 1 emissions contributed only 4.98 per cent to the total Company emissions which is a slight decrease from 5.54 per cent during the previous year.

6.1.1. Scope 1 Emissions

Scope 1 emissions covered the use of diesel fuel to power back-up generators at the pumping stations; use of diesel and petrol to power vehicles operated by KPC, the use of aviation fuel in a helicopter for pipeline infrastructure monitoring and use of air conditioners (ACs). Back-up electricity is crucial in ensuring KPC's operations are not adversely impacted by grid power outages. Emissions from mobile combustion contributed 82.20 per cent ; stationary combustion (generators) accounted for 7.79 per cent while ACs accounted for 10.01 per cent of total scope 1 emissions during the reporting year 2026.

Below is the graph showing the different categories of scope 1 estimated emissions.

Figure 6: Graph of Scope 1 emission categories



Source: KPC GHG Emissions Inventory Report

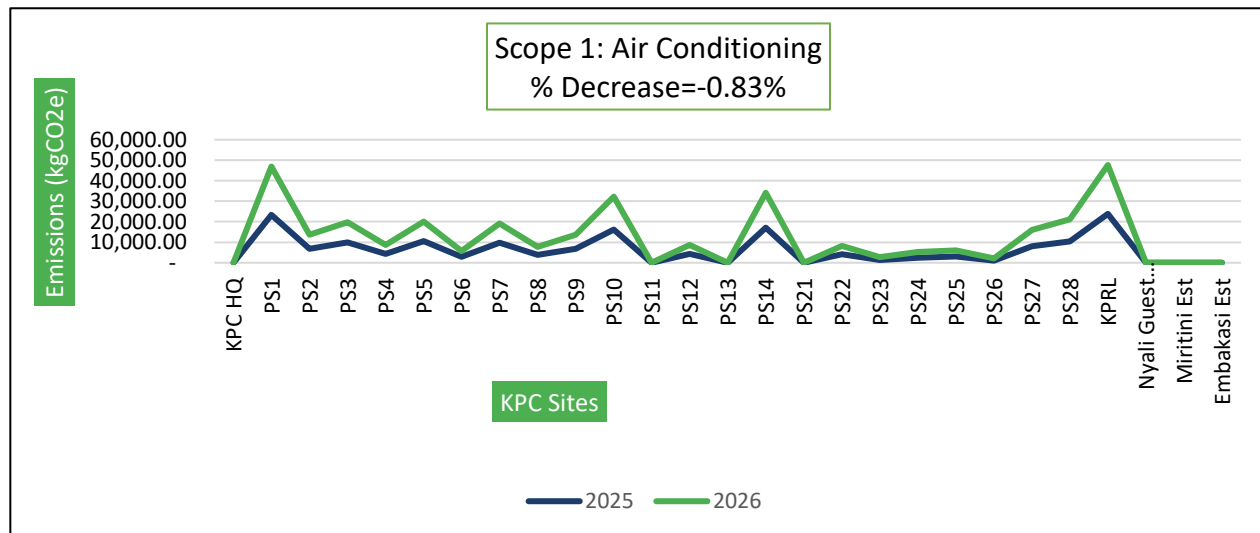
Total estimated emissions from scope 1 sources were 1,700.59 tCO2e in 2026 and 1,743.19 tCO2e in 2025: stationary combustion emissions from generators were 139.59 tCO2e and 151.73 tCO2e respectively ; mobile combustion were 1,391.47 tCO2e a decrease from 1,421.24 tCO2e. The reduction of emissions was partly due to the company helicopter not being in use in because of routine maintenance during the 2026 reporting year. while fugitive emissions accounted for 169.53 tCO2e and 170.23 tCO2e in the year 2026 and 2025 respectively. The 2.44% decrease in total scope 1 emissions indicate a moderate year-on-year decline in emissions, attributed to operational practices which impact GHG emissions activity levels.

6.1.1.1 Air-Conditioning Site-Specific Results

Availability of disaggregated data for air conditioning (AC) enabled assessment of emissions by site as illustrated in the graph below. PS 1, PS 10, PS 14, PS 28 and KPRL contributed the highest to the overall company emissions.

Source: KPC GHG Emissions Inventory Report

Figure 7: KPC Fugitive Emissions (ACs)

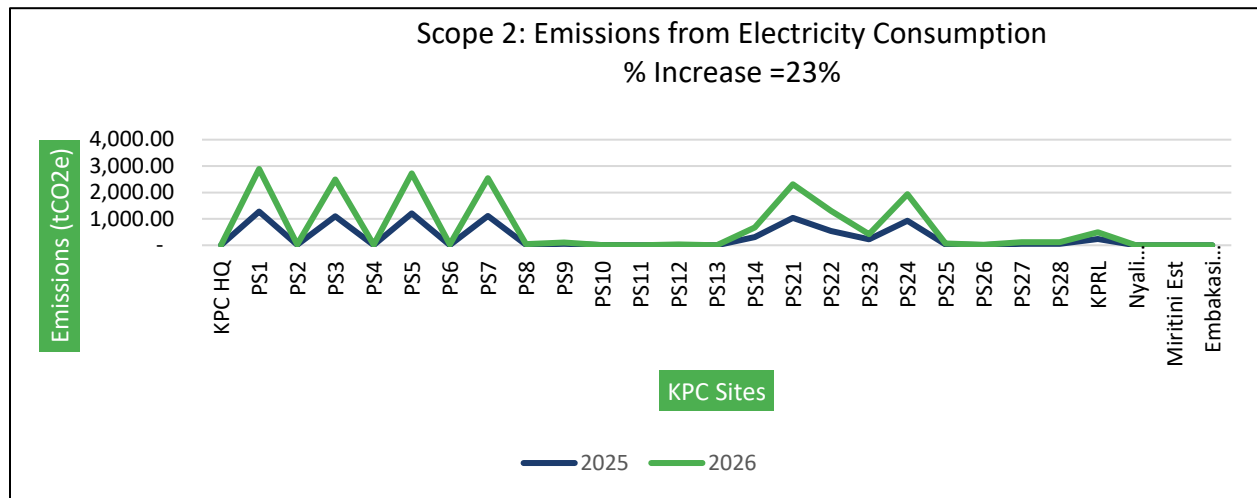


6.1.2. Scope 2 Emissions

Scope 2 emissions are mainly from grid power consumption, which is a key source of emissions for KPC, contributing 29.21 per cent to the total company emissions during the reporting period. The company released 10,116 tCO₂e during the reporting year 2026 against 8,245 tCO₂e in 2025 translating to a 22.69 per cent increase in GHG emissions. This was due to the increase in consumption of electricity from the grid caused by an increase in throughput capacity and higher demand of fuels. Despite Kenya's grid being more than 80 per cent green, the remaining percentage of energy is generated using thermal sources that rely on fossil fuels dispatched during peak load hours and for grid stability. There was an increase in electricity generated from fossil fuel based thermal power plants between 2025 and 2026 due to increase in peak demand. This contributed to an increase in average emission factor.

KPC energy consumption across the sites varies hence the trend recorded in the graph below. From this time series graph in figure 8, PS 1, PS 3, PS 5, PS 7, PS 21, PS 22 and PS 24 contributed an average of 1000 tCO₂e or more.

Figure 8: Scope 2 (Site Level emissions due to Electricity Consumption)



Source: KPC GHG Emissions Inventory Report 2025/2026

During the reporting year, scope 1 and 2 absolute emissions increased by 18.31 per cent mainly due to an increase in electricity consumption from the grid. Total scope 1 and 2 absolute emissions are indicated in the table below.

Table 13: Scope 1 and 2 Absolute Emissions

Scope	Absolute Emissions (tCO2e) 2024/2025	Absolute Emissions (tCO2e) 2025/2026
Scope 1 (Generators, mobile combustion and air conditioning)	1,743.19	1,700.59
Scope 2 (grid electricity)	8,244.59	10,116.00
Total	9,987.78	11,816.59

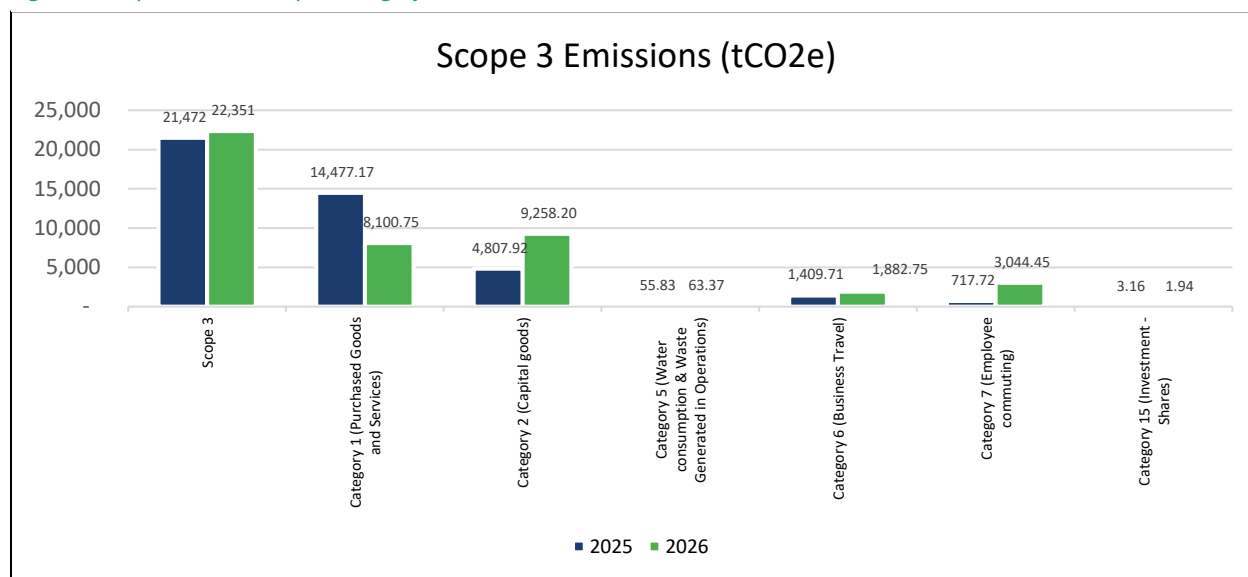
6.1.3 Scope 3 Emissions

Purchased goods and services category 1. Capital goods category 2, Water and waste generated in operations category 5, Business travel category 6, Employee commuting category 7 and investments category 15 contributed to the emissions of scope 3.

Use of goods is usually not only naturally resource intensive but processing, distribution and end of life treatment of these goods requires large amounts of energy to power these processes from cradle to grave. The environmentally extended input output (EEIO) data enables tracking of these supply chain related emissions in the absence of activity data. Some of the providers of EEIO data is EXIOBASE and EPA-USEEIO.

This assessment used the spend-based methodology to estimate emissions from purchased good and services, capital goods and business travel using emission factors provided by EXIOBASE and EPA-USEEIO.

Figure 9: Scope 3 emissions per category



Source: KPC GHG Emissions Inventory Report

Total scope 3 emissions increased from 21,472.00 tCO₂e in 2025 to 22,351.00 tCO₂e in 2026, representing a 4.10% year-on-year increase. The assessment covers all material categories applicable to KPC's operations, including purchased goods and services, capital goods, waste, business travel, employee commuting, and investments.

Category 1: Purchased Goods and Services

Emissions from purchased goods and services decreased substantially from 14,477.17 tCO₂e in 2025 to 8,100.75 tCO₂e in 2026. This category captures upstream emissions associated with the extraction, production, and transportation of goods and services procured by KPC. The reduction reflects lower procurement of goods and services such as computers, furniture, office equipment, fittings, advertising and facility management inputs that are essential for pipeline administration and maintenance. These materials typically carry high embodied carbon, and reductions in procurement have a significant impact on total Scope 3 emissions.

Category 2: Capital Goods

Category 2 emissions increased markedly from 4,807.92 tCO₂e in 2025 to 9,258.20 tCO₂e in 2026. This category includes emissions associated with the production of capital assets purchased or acquired by KPC, such as construction works (buildings and roads), heavy electrical equipment, vehicles, generators, pumps, machinery, and other long-life infrastructure assets. The increase indicates higher capital investment activity during the reporting year, consistent with infrastructure expansion and asset renewal programs.

Category 5: Water Use and Waste Generated in Operations

Emissions from waste generated in operations increased slightly from 55.83 tCO₂e to 63.37 tCO₂e. This category covered water use & treatment and hazardous waste management. The increase is marginal and reflects operational variations rather than structural changes.

Category 6: Business Travel

Business travel emissions rose from 1,409.71 tCO₂e in 2025 to 1,882.75 tCO₂e in 2026. This category includes emissions from air travel, road travel, and other modes of transportation used for official business. The increase is attributed to expanded operational activities requiring staff travel across regions.

Category 7: Employee Commuting

Employee commuting emissions increased significantly from 717.72 tCO₂e to 3,044.45 tCO₂e. This category captures emissions from employees traveling to and from work. The rise in emissions is linked to complete assessment of emissions from all company employees unlike the 2025 results which was a partial disclosure that covered only head office staff emissions.

Category 15: Investments

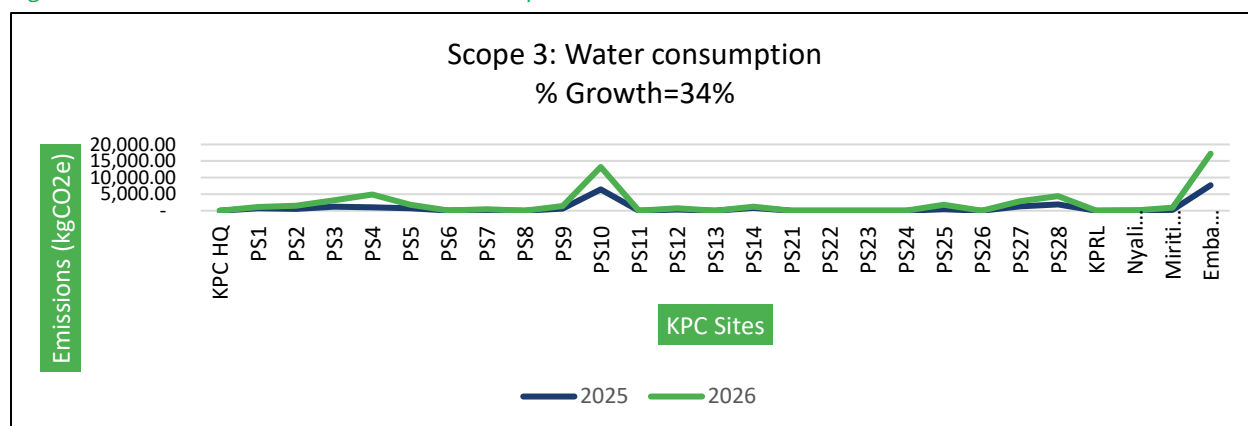
Emissions from investments remained negligible, decreasing slightly from 3.16 tCO₂e to 1.94 tCO₂e. This category includes emissions associated with equity investments where KPC has influence but not operational control.

Categories 1 and 2 remained the dominant contributors to Scope 3 emissions due to the carbon-intensive nature of maintenance, construction materials and capital equipment required to maintain the integrity of the pipeline infrastructure. Combined, they contributed 77.66% of total Scope 3 emissions in 2026, compared to 89.82% in 2025. The rest of scope 3 categories contributed 22.34% and 10.18% in 2026 and 2025 respectively.

The 2026 Scope 3 emissions profile reflects the operational realities of a heavy infrastructure company. Reductions in purchased goods emissions demonstrate progress in procurement efficiency or project phasing, while increases in capital goods emissions indicate intensified investment in long-life infrastructure assets. Overall, KPC's Scope 3 emissions continue to be shaped by the carbon intensity embedded in its supply chain and capital investment activities. Continued supplier engagement, adoption of low-carbon materials, and strategic procurement practices will be critical in managing future emissions.

The availability of site disaggregated data for water consumption enabled assessment of emissions for these locations. The graph below shows emission trends for the sites.

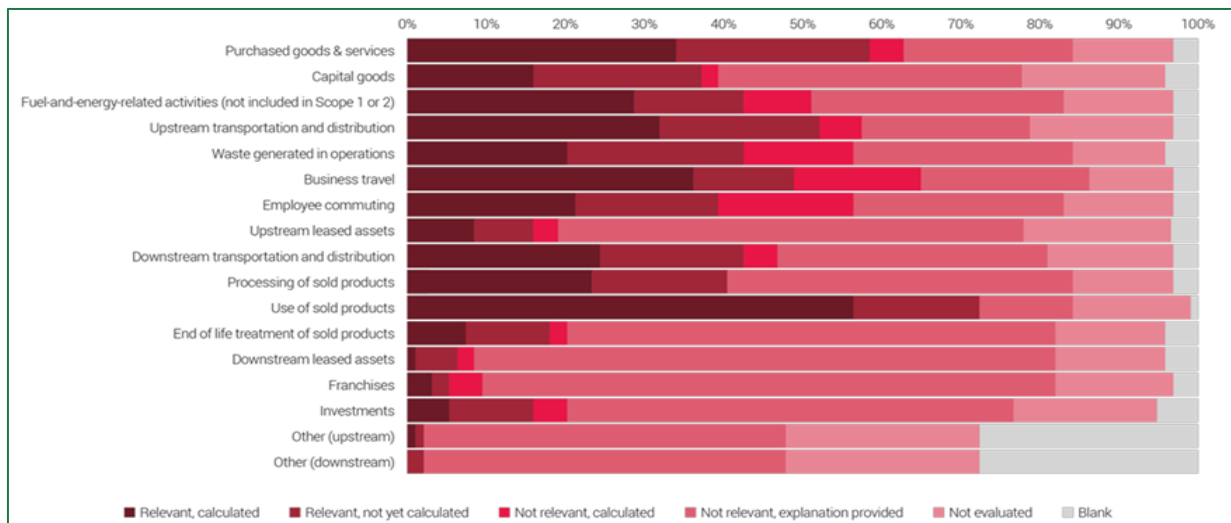
Figure 10: Site level Emissions from Water Consumption



Source: KPC GHG Emissions Inventory Report 2025/2026

Scope 3 emissions for the oil and gas industry are usually the highest even for downstream companies like KPC providing transport and distribution services. This is mainly due to the heavy utilization of carbon intensive materials to build and maintain the infrastructure. CDP conducted a study and, in their analyses, they assessed 94 different companies in the oil and gas sector and showed the average relevance of Scope 3 Categories are as illustrated below: (CDP 2024). This report highlights the importance of assessing scope 3 emissions for oil and gas company such as KPC.

Figure 11: Relevance of Scope 3 Emissions to Oil & Gas Companies



Source: CDP Technical Note, 2024. Relevance of Scope 3 Categories by Sector

6.2. Absolute Emissions

KPC's total emissions are reflective of oil and gas industry's contribution by scope. The company's total estimated emissions for the reporting period are 34,168 tCO₂e. Scope 3 emissions contributed 22,351 tCO₂e representing 65.42 per cent of total company emissions. Scope 2 contributed 10,116 tCO₂e representing 29.61 per cent of total company emissions while Scope 1 accounted for 1,701 tCO₂e representing 4.98 per cent of total company emissions. The table below shows the detailed estimated emissions for KPC for the reporting year 2024/2025 and 2025/2026.

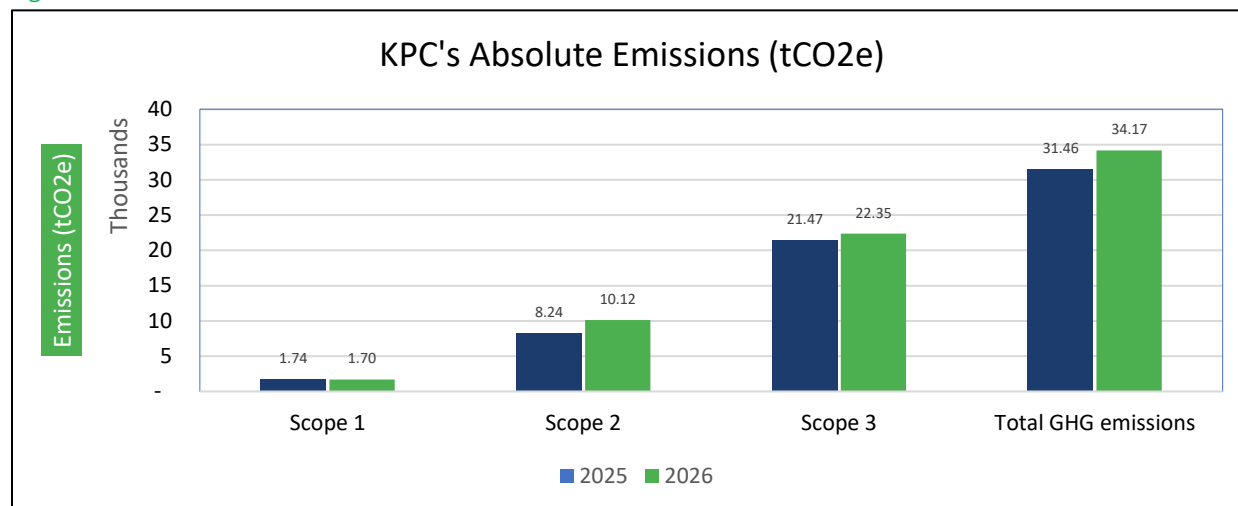
Table 14: Table 6: GHG Statement Report

Scope and Categories	Emissions (tCO ₂ e) 2025	Emissions (tCO ₂ e) 2026
Scope 1	1,743.19	1,700.59
Stationary Combustion	151.73	139.59
Mobile Combustion	1,421.24	1,391.47
Fugitive Emissions (ACs)	170.23	169.53
Scope 2	8,245	10,116
Scope 3	21,472	22,351
Category 1 (Purchased Goods and Services)	14,477.17	8,100.75
Category 2 (Capital goods)	4,807.92	9,258.20
Category 5 (Water consumption & Waste- Own Operations)	55.83	63.37
Category 6 (Business Travel)	1,409.71	1,882.75
Category 7 (Employee commuting)	717.72	3,044.45
Category 15 (Investment -Shares)	3.16	1.94
Absolute GHG emissions	31,459	34,168

Source: KPC GHG Emissions Inventory Report 2025/2026

The graphs below show KPC's emissions trend for the three scopes.

Figure 12:KPC's Absolute Emissions



Source: KPC GHG Emissions Inventory Report 2025/2026

Overall, KPC's Scope 3 emissions continue to be shaped by the carbon intensity embedded in its supply chain and capital investment activities. Continued supplier engagement, adoption of low-carbon materials, and strategic procurement practices will be critical in managing future emissions.

Total emissions increased from 31,459 tCO₂e in 2025 to 34,168 tCO₂e in 2026, representing a 8.61% year-on-year increase. The distribution of emissions across the three scopes reflects the nature of KPC's operations, which rely heavily on purchased electricity and carbon-intensive value chain activities.

Scope 1 emissions decreased slightly from 1,743.19 tCO₂e in 2025 to 1,700.59 tCO₂e in 2026, accounting for 5.54% and 4.98% of total emissions respectively. These emissions arise from sources owned or controlled by KPC, including fuel combustion in stationary equipment mainly backup generators, and mobile sources mainly company-owned vehicles, a helicopter and from air conditioning. The marginal decrease reflects routine operational activities and minor fluctuations in fuel use.

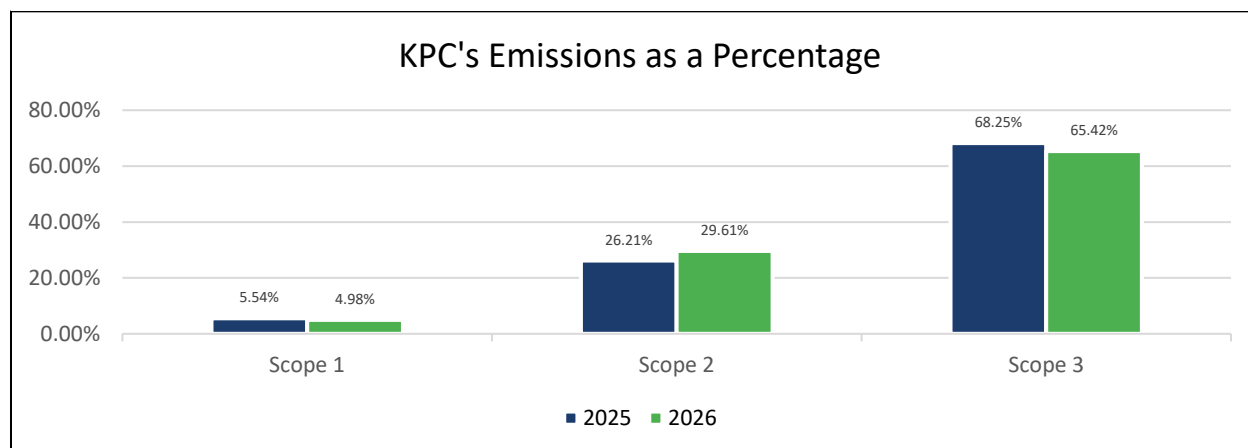
Scope 2 emissions rose from 8,245 tCO₂e in 2025 to 10,116 tCO₂e in 2026, increasing their share of total emissions from 26.21% to 29.61% respectively. These emissions result from purchased electricity used across KPC's pipeline network, pumping stations, storage facilities, and administrative offices. The increase is attributed to higher electricity consumption driven by operational demands and grid emission factor changes.

Scope 3 emissions remain the largest contributor to KPC's carbon footprint, increasing from 21,472 tCO₂e in 2025 to 22,351 tCO₂e in 2026. Although their proportional share to total KPC's absolute emissions decreased slightly from 68.25% in 2025 to 65.42% in 2026. Scope 3 emissions continue to dominate due to the carbon-intensive nature of purchased goods, capital investments, business travel, employee commuting, and other upstream and downstream activities. The increase reflects expanded capital projects and higher employee travel activities.

The 2026 emissions profile demonstrates that KPC's carbon footprint is primarily driven by indirect emissions, particularly those embedded in purchased electricity and value chain activities. While Scope 1 emissions remain relatively small, the growth in Scope 2 and Scope 3 emissions highlights the importance of:

- Strengthening energy efficiency measures,
- Engaging suppliers on low-carbon materials and technologies,
- Integrating climate considerations into capital investment planning.

Figure 13: Absolute Emissions as a Percentage



Source: KPC's GHG Inventory 2025/2026

Overall, the shifting distribution underscores the need to strengthen value-chain emissions management while advancing energy efficiency and operational optimization across all scopes.

6.3. Carbon intensity metrics

To enhance sector comparability, the Company conducted a comprehensive evaluation of greenhouse gas emissions intensity across its operational activities, aligning the analysis with internationally recognized benchmarks for the oil and gas industry. Emissions intensity metrics were expressed as tonnes of CO₂ equivalent per kilometer of the pipeline, per unit of throughput, and per unit of revenue, providing a normalized basis for assessing performance over time and benchmarking against peer organizations. This approach ensures that variations in operational scale, production levels, and commercial activity are appropriately accounted for, enabling a more accurate interpretation of emissions trends and supporting transparent disclosure in line with global reporting standards.

An assessment of emissions intensity across KPC's operations demonstrates measurable shifts between 2025 and 2026, reflecting changes in operational activity, throughput, and energy use. Scope 1 and 2 emissions increased from 9,987.78 tCO₂e in 2025 to 11,816.59 tCO₂e in 2026, resulting in a corresponding rise in pipeline-normalized intensity from 7.44 tCO₂e/km to 8.81 tCO₂e/km respectively. Similarly, the absolute emissions intensity per kilometer increased from 23.44 tCO₂e/km to 25.46 tCO₂e/km in 2026, driven by the rise in overall absolute emissions.

Revenue-based intensity metrics show a modest increase in Scope 1 and 2 emissions intensity, rising from 0.26 tCO₂e per million KES to 0.28 tCO₂e per million KES, while total absolute emissions intensity per revenue unit slightly changed from 0.82 tCO₂e per million KES in 2025 to 0.81 tCO₂e per million KES 2026- indicating a stable trend of carbon emissions relative to financial performance.

Throughput-normalized emissions intensity reflects similar trends. Scope 1 and 2 emissions intensity increased slightly from 1.10 kgCO₂e per cubic meter to 1.12 kgCO₂e per cubic meter in 2026, whereas absolute emissions intensity per cubic meter maintained a marginal decrease from 3.47 kgCO₂e per cubic meter to 3.23 kgCO₂e per cubic meter.

By situating emissions intensity within oil and gas benchmarks, KPC will enhance transparency and provide stakeholders with a credible basis for evaluating its climate performance. This approach will underscore the company's commitment to harmonizing local reporting practices with global best standards, while also identifying opportunities for further reductions through energy efficiency, renewable energy integration, and advance sustainable material sourcing.

Table 15: KPC's Emissions Intensity

KPC's Emissions Intensity	2025	2026
Scope 1 & 2 Emissions (tCO ₂ e)	9,987.78	11,816.59
Pipeline Length (KM)	1,342.00	1,342.00
Emissions Intensity Scope 1 & 2 (tCO ₂ e/KM)	7.44	8.81
Total emissions (tCO ₂ e)	31,459.00	34,168.00
Total Emissions Intensity (tCO ₂ e/KM)	23.44	25.46
Revenue Emissions Intensity		
KPC Revenue (million KES)	38,593.63	42,197.82
Emissions Intensity Scope 1 & 2 (tCO ₂ e/million KES)	0.26	0.28
KPC Total Emissions Intensity Scope 1,2 and 3 (tCO ₂ e/million KES)	0.82	0.81
Throughput Emissions Intensity		
Throughput (M ³)	9,061,292.82	10,576,762
Scope 1&2 Emissions Intensity (kgCO ₂ e/M ³)	1.10	1.12
Total Emissions Intensity (kgCO ₂ e/M ³)	3.47	3.23

Source: KPC GHG Emissions Inventory Report 2025/2026

6.4. Treatment of gaps and uncertainties

6.4.1. Data Clean-up and Limitations

KPC maintains data that is both analysed and structured e.g. electricity and water consumption data. However, cleaning, re-organizing and recalculations was required as documented in the "computations tab" of the GHG Inventory. This was structured in-order to meet reporting requirements. Several data points were recalculated e.g. Air conditioners, purchase of goods and services, Capital goods, employee commuting, business travel and waste water and sludge. This is well documented in the GHG Inventory 2025-2026 "Calculations tab".

Employee commute data was derived from a survey conducted internally. This data represents 31% response rate and due to the principle of GHG data completeness and accuracy, it was extrapolated to cover staff emissions for the whole company. Therefore, the survey results were used to estimate employee commuting emissions providing a basis to further collect statistically representative data that can enable increased accuracy in calculation of companywide emissions under this category. KPC is addressing data tracking limitations for relevant business travel and employee commuting data that will be used in subsequent assessments.

6.4.2. Assumptions

In general, assumptions were minimized to reduce complexity and model-sensitivity. For example, for Scope 1 Stationary (Generators) and mobile combustion, KPC reported litres of diesel and petrol consumed. The single assumption made was that the generators are of a homogenous model while vehicles used have standard operating practices and efficiency. These assumptions can be overwritten as more refined data is gathered, i.e., type and make of engines and vehicle efficiencies accompanied by respective maintenance practices for each.

GHG emissions due to water consumption were disaggregated into two categories, 1) water use, and 2) waste water. The assumption made is that the total water used in company's operations ended up as waste water. Waste water emissions were calculated based on these values.

Company spend-based sectors were mapped to NACE sectors (as mapped in the GHG Emissions Assessment Inventory tab 'Calculations'), assuming a level 2 granularity (Class/sector/sub-sector/industry), from general to granular where applicable. Purchaser price to basic prices correction was conducted by applying a factor of 0.9 or 1.0 as guided by spent-based EF provider.

For fugitive emissions (screening calculations), KPC provided data of the type of ACs although AC leakage rate, refrigerant gas type and recharge volume data was not available. Therefore, secondary data was used to fill in the gaps. The charge for the ACs was determined from vendor/supplier information online.

6.5 Avoided Emissions

KPC operates a grid-tied solar photovoltaic installation at its headquarters which generates renewable electricity consumed on-site and thereby reducing the company's reliance on grid-supplied electricity. In accordance with the GHG Protocol Scope 2 Guidance, avoided emissions are calculated by multiplying the solar electricity generated by the applicable grid emission factor for the reporting period.

During the 2025 and 2026 reporting years, the solar installation produced 111,449.45 kWh and 161,740.71 kWh of renewable electricity respectively, the corresponding avoided emissions attributable to on-site solar generation are estimated at 78.02 tCO₂e in 2025 and 113.31 tCO₂e in 2026. Additionally, KPC has installed 14.4 cubic meters of solar water heating system at Morendat facility and its contribution to energy and GHG emissions avoided during the reporting year was estimated at 6.72 tCO₂e. The total impact of avoided emissions was estimated at 120.03 tCO₂e during the 2026 reporting year.

These avoided emissions represent a reduction in Scope 1 (generator emissions) and Scope 2 location-based emissions that would have occurred had the same amount of electricity been sourced from the on-site generation using diesel and the national grid.

As KPC does not purchase renewable electricity through contractual instruments such as PPAs or RECs, these avoided emissions are reported separately from the company's Scope 2 inventory and do not affect market-based accounting. They provide transparency on the climate benefits of KPC's on-site renewable energy generation and supports future planning for expanded clean-energy deployment.

7. Benchmarking

Benchmarking KPC's GHG emissions against peers like Transnet, and IOCL is essential to contextualize performance, identify efficiency gaps, and align with global best practices. It ensures credibility in ESG reporting across Scope 1, 2, and 3 emissions, though differences in business models and data transparency introduce limitations.

7.1. Comparison with Industry peers

KPC's business model concentrates on transporting refined petroleum products unlike the benchmarked pipeline companies whose business model majorly incorporates oil and gas refinery, transport and distribution of the products to end users. These companies- Indian Oil Company Limited (IOCL), Transnet Energy and TC Energy own the petroleum products they transport hence account for use of products, downstream distribution and downstream leased assets etc. The three companies have diversified product offering and the volumes handled are several folds larger than KPC's throughput.

7.1.1. Why Benchmarking Matters

1. Scope 1 (Direct Emissions)

- Pipeline operations (fuel combustion, leaks, pumping stations) are core to KPC's footprint.
- Benchmarking against Transnet (South Africa) and IOCL (India), highlights operational efficiency in reducing fugitive emissions and fuel use in operations.
- This helps KPC demonstrate whether its emissions intensity per km of pipeline or per cubic metre transported is competitive.

2. Scope 2 (Indirect Energy Emissions)

- Electricity consumption for pumping and monitoring systems varies by grid carbon intensity.

- Comparing with IOCL (India's coal-heavy grid) and Transnet's (South Africa's grid energy) shows how regional energy systems affect emissions intensity.
- Benchmarking allows KPC to argue for renewable integration in Kenya's relatively clean grid, positioning it as a lower-carbon operator.

3. Scope 3 (Value Chain Emissions)

- Inclusion of upstream crude extraction, downstream refining, transportation and customer use of fuels shows how these business model increases GHG emission footprint for a company.
- IOCL, with its refining-heavy model, has much larger Scope 3 emissions.
- Benchmarking helps KPC clarify its relative responsibility in the value chain and strengthen disclosure credibility.

The table below shows how carbon emissions intensities vary between the four companies.

Table 16: Benchmarking-Emissions Intensity

Metrics	TransNet Pipeline ³⁴	IOCL ³⁵	KPC 2025	KPC 2026
Scope 1 & 2 Emissions (tCO ₂ e) ³⁶	175,000.00	341,400.00	9,987.78	11,816.59
Pipeline Length (KM)	3114.00	19500.00	1,342.00	1,342.00
Emissions Intensity Scope 1 & 2 (tCO ₂ e/KM)	56.20	17.51	7.44	8.81
Total emissions (tCO ₂ e)	199,000.00	ND ³⁷	31,459.00	34,168.00
Total Emissions Intensity (tCO ₂ e/KM)	63.90	ND	23.44	25.46

Source: KPC GHG Emissions Inventory Report 2025/2026

A comparative benchmarking assessment was undertaken to evaluate the Company's emissions intensity relative to peer pipeline operators, using normalized metrics aligned with internationally recognized oil and gas sector practices. When assessed against TransNet Pipeline and IOCL, KPC demonstrates a significantly lower Scope 1 and 2 emissions intensity profile. In 2026, KPC recorded 8.81 tCO₂e per kilometer, compared with 56.20 tCO₂e/km for TransNet and 17.51 tCO₂e/km for IOCL, reflecting the comparatively lower carbon intensity of KPC's pipeline operations. Total emissions intensity per kilometer also remained favorable at 25.46 tCO₂e/km compared to TransNet's 63.90 tCO₂e/km underscoring operational efficiency across KPC's network.

Revenue-based benchmarking further reinforces this position. KPC's Scope 1 and 2 emissions intensity increased marginally from 0.26 tCO₂e per million KES in 2025 to 0.28 tCO₂e per million KES in 2026, remaining well below IOCL's 2.00 tCO₂e per million KES³⁸. Absolute emissions intensity per unit of throughput decreased from 3.47 kgCO₂e per cubic meter to 3.23 kgCO₂e per cubic meter in 2025 and 2026 respectively, reflecting increased operational activity.

Collectively, these benchmarks demonstrate that KPC's emissions performance remains competitive within the regional and international pipeline sector, with clear evidence of efficiency gains and continued alignment with industry best practice.

³⁴ Transnet Pipeline reported emissions. Source: Transnet Integrated Report 2024

³⁵ Source: IOCL-Sustainability-Report-2023-24.pdf (pg. 59). Converted from MMTCO₂e/Rupee Crore to TCO₂e/KES

³⁶ Emission intensity for scope 1 and scope 2 emissions. KPC Scope 1 covers mobile, stationery and fugitive emissions due to air conditioning while IOCL scope 1 emissions estimated are fuel use in the stationary processes, captive electricity generation and mobile emissions from Company-owned vehicles. Transnet's emissions comprise of all fuel, ranging from diesel to jet fuel, consumed during operational activities. Scope 2 emissions for the three companies covers grid electricity emissions. TransNet's emissions scope 2 emissions account for 76.31 percent of total emissions. Scope 3 is not included due to variability in the categories covered by the companies. IOCL being an oil refinery and distribution company and the owner of refined products, scope 3 categories included in their scope 3 emission estimations vary from KPC scope 3 categories. This is due to the differences in organizational and operational boundaries hence there was no comparison.

³⁷ ND- Not disclosed

³⁸Source: IOCL-Sustainability-Report-2023-24.pdf (pg. 59). Converted from MMTCO₂e/Rupee Crore to TCO₂e/KES

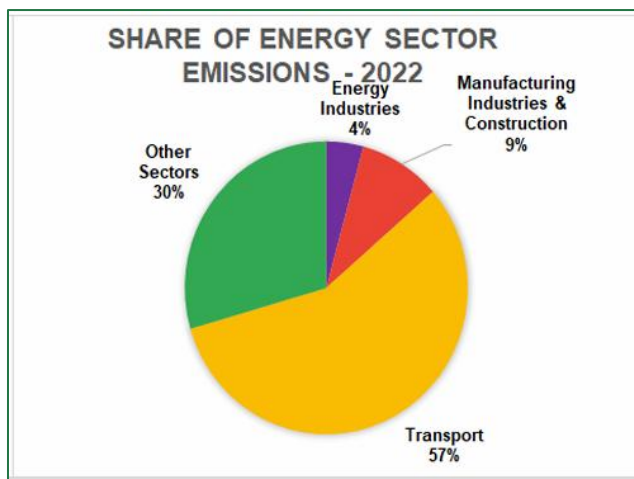
7.2. Alignment with Kenya's Climate Goals and National GHG Inventory

The Paris Agreement commits countries to reductions of greenhouse gas (GHG) emissions – to Net Zero between 2050 and 2100 to achieve a balance between emissions from human economic activity and the amount that can be captured by GHG “sinks”. Each country has set its own emission-reduction targets commonly referred to as Nationally Determined Contributions (NDC's), reviewed every five years to raise ambitions. Kenya updated its NDC's raising its ambition to reducing its emissions by 32 per cent by 2030 relative to the BAU scenario of 143 MtCO₂eq.

Kenya's Climate Change Act stands as the country's first all-encompassing legal framework for addressing climate governance. Its central aim is to steer development toward a low-carbon and climate-resilient pathway. To achieve this, the Act encourages the adoption of technologies that reduce emissions and strengthen resilience, builds public capacity for meaningful participation through awareness, consultation, representation, and access to information, and establishes both incentives and obligations to mobilize private sector contributions. Building on this, Kenya's Second NDC (2031-2035) raises ambition further, targeting a 35% reduction below a BAU projection of 215 MtCO₂eq by 2035 relative to a 2022 baseline

In alignment to the Climate Change Act, Kenya has developed the National Climate Change Action Plan III 2023-2027, and the Long-Term Low Emissions Development Strategy (LTLEDS) 2022-2050 to steer the country towards Low Carbon Climate Resilient Development.

Figure 14: Share of Energy Sector Emissions in 2022



Source: Kenya's National GHG Inventory Document

According to the Kenya National GHG Emissions Inventory Document 2022, the Energy sector is the second largest source of emissions in the country accounting for about 25% of total emissions with 21,503 Gg-CO₂ e in 2022. These emissions are mainly from transport and other sectors sub-categories, as illustrated in figure 4 above.

KPC's GHG Emissions Baseline Assessment Report demonstrates the company's strategic alignment to the country's climate policies especially supporting the LTLEDS. By KPC developing its baseline GHG Emissions Inventory, the company is well poised to:

- I. Disclose its contribution to the country's GHG emissions that informs the development of the country's GHG Inventory.
- II. Track these emissions and develop science-based targets towards their reduction.
- III. Identify risks and opportunities for mitigation and adaptation to effects of climate change while supporting the country's decarbonization ambition.
- IV. Monitor impact and report progress to its stakeholders.

7.3. Global Oil & Gas Sector Insights

IPIECA members support the Paris Agreement's aims and the journey to a net-zero future by pursuing efforts to limit the temperature increase to well below 2 °C above pre-industrial levels, and pursuing efforts to limit it to 1.5 °C. Because of its infrastructure, expertise, capacity for innovation and ability to attract investment in large-scale projects, the oil and gas industry has an important role to play in the transition to NZE. IPIECA members are already involved in carbon capture and storage (CCS), hydrogen, biofuels, wind and solar, with significant capital investment commitments to grow their low-carbon businesses.

IPIECA released a GHG Emissions Reporting Guidance which provides a harmonized framework for oil and gas companies to measure, manage, and disclose scope 1, 2 and 3 greenhouse gas emissions with consistency and transparency. It emphasizes alignment with international standards, enabling comparability across organizations while supporting credible climate risk assessments. By adopting this guidance, companies strengthen accountability and demonstrate commitment to reducing emissions in line with global sustainability goals.

Similarly, the Oil and Gas Climate Initiative (OGCI) supports the goals of the Paris Agreement, limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C, and recognizes that there is a real urgency to act. According to OGCI Strategy (2021), the energy transition is one of the most significant global challenges, requiring coordinated efforts from consumers, governments, and businesses. OGCI highlights its commitment to act, innovate, invest, and implement scalable solutions in partnership with others, thereby transforming climate ambition into practical opportunities for low-carbon development.

Additionally, the OGCI acts as the secretariate for Oil and Gas Decarbonization Charter which has 54 signatories consisting of international oil companies and National Oil and Gas Companies that account for 43 per cent of the World's oil volumes (OGDC, 2024). This charter is significant to the oil and gas sector as it commits members to align their operations' decarbonization trajectories to Net Zero emissions by 2050 and invest in energies of the future. A survey conducted by OGCI reported that at least 85 per cent of OGCI signatories said they are investing in energy systems outside oil and gas while 63 per cent of the signatories plan to increase investments in energies of the future. This will result to a significant shift in downstream oil supplies which can affect KPC's sustainability.

8. Emissions Reductions and Recommendations

An emission reduction framework is a set of goals, actions, and accountability mechanisms to align KPC's business activities with a low-carbon pathway defined in Kenya's NDC and Kenya's Long-Term Low Emission Development Strategy 2050 (LT-LEDS). Kenya submitted its LT-LEDS in November 2022, becoming one of the first African countries to do so. LT-LEDS is a strategic national document that outlines country's long-term vision and pathway for transitioning to low-carbon and climate resilient economy by 2050 through following objectives: support sustainable development, reduce GHG emissions, enhance climate resilience, mobilize finance and technology and guide sectoral planning.

LT LEDS defines a range of estimated national greenhouse gas (GHG) emissions and removals and sets a vision for 2050 based on the projections of GHG emissions and removals from the GHG emitter and sink sectors aggregated into the total national emissions. This vision is considered a GHG reduction goal by mid-century, which KPC plans to internalize in its business model and operations.

As a public interest entity, KPC is required to set emissions reduction pathway aligned to the country's NDCs energy sector decarbonization priorities, LTLEDS and the Paris Agreement Net-Zero targets.

Table 17: Kenya's Emissions Reduction Potential for energy and transport sector

Sector	Priorities	Emission Reduction Potential by 2030
Energy	- Achieve universal electricity access through grid expansion with focus on underserved communities and productive uses. - Increased renewable electricity generation in the national grid to meet growing demand and climate targets. - Adoption of clean and efficient energy use for the transport, industry, agriculture and domestic sectors including clean cooking.	1.5 MtCO ₂ e
Transport	- Accelerate adoption of electric mobility (motorcycles, cars and buses) - Expand nationwide EV charging infrastructure, including in secondary cities - Electrify public transport and support bus rapid transport (BRT) pilots - Reduce fossil fuel reliance in urban freight and logistics. - Strengthen regulatory frameworks and incentives for EV imports, manufacturing and local assembly.	811,000 tCO ₂ e

Source: Kenya's nationally Determined Contributions 2025-2030

KPC's target setting for operational GHG emissions is guided by the SBTi Science-Based Target Setting Manual (SBTi, 2020), and the SBTi Criteria and Recommendations (SBTi, 2021) which require companies to set both near-term (5–10 years) and long-term (targets covering more than 10 years) targets aligned with the Paris Agreement goals, while the IFRS S2 standard also requires medium-term targets.

Robust inventory of our Scope 1, 2, and 3 GHG emissions is a crucial building block for KPC's transition planning, representing a baseline against which to set its emission reduction targets from operations and investments.

8.1. Priority reduction areas

KPC is committed to reducing its operational GHG emissions (Scopes 1 and 2) by 29% by 2030 from the 2026 base year, in line with the SBTi's Well below 2°C climate pathway. Additionally, the Company will address its material supply chain emissions (Scope 3 Categories 1 and 2) targeting a 17.5% absolute reduction by 2030, where feasible. The Company prioritizes calculation of emissions from other material categories not included in this assessment during the next reporting period. KPC plans to achieve a minimum 90% absolute reduction across all operational emissions by 2050, while using carbon offsets to neutralize residual emissions to reach net-zero in its own operations.

KPC has set each greenhouse-gas reduction target using a structured assessment of its emissions profile, industry benchmarks, and long-term decarbonization pathways. Targets will be reviewed on a regular cycle to ensure they remain aligned with evolving regulatory expectations, technological developments, and operational realities. Progress will be monitored through a defined measurement framework that tracks performance against interim milestones and triggers corrective actions when deviations occur. The greenhouse gases covered in its target are Carbon dioxide, nitrous oxide, methane and HFC's converted into carbon dioxide equivalent.

As an oil and gas company, KPC has recognized that majority of its climate impact lies in scope 2 (purchased electricity) and scope 3 emissions (specifically Category 1 and 2) which contributed 29.61 per cent and 65.42 per cent to total KPC's absolute GHG emissions respectively.

For scope 2 emissions, KPC is required to implement the Energy Management Policy commitments and energy conservation opportunities as proposed in the various 2024 Energy Audit Reports for the audited sites. Additionally, sites that were not audited are required to be audited or apply similar energy management measures where operations and energy use practices are identical.

From a strategic perspective, KPC Strategic Plan 2025/2026-2029/2030 pillar 3 ambition is to mainstream ESG including energy efficiency, minimizing GHG emissions, waste management and resource efficiency. This ambition can be achieved when this plan is diligently implemented within the period.

Below is the summary of key initiatives as proposed in the Strategic Plan and the energy management opportunities that will lead to scope 1 and scope 2 emissions reduction:

- Enhance operational efficiency e.g. digitalization of KPC's processes.
- Improve budgeting and product costing for electricity supply equipment.
- Enhance preventative maintenance of power supply and equipment and other machinery and equipment.
- Procurement of improved product quality and efficiency and implement product life cycle management strategy. For example, reduction and where possible, avoidance of construction, operational and electrical material waste.
- Implement the Energy Management Policy; develop and implement energy management opportunity proposals as per the Energy Audit Reports conducted between 2023/2024 to date.
- Deploy Energy Management Module on SCADA and install Variable Frequency Drive at pending sites. SCADA will enable measuring energy consumption over time to identify anomalies and correct them promptly.
- Relating energy consumption to a measure of output-production i.e. periodically track energy intensity.
- Setting targets for reduced consumption and frequently compare consumption to targets and reporting variances while taking action to correct variances.
- Conduct a companywide energy management capacity building
- Explore and implement identified opportunities for solar energy, biofuels and green hydrogen as reported in the Strategic Plan.

KPC is committed to aligning its decarbonization pathway with the Science Based Targets initiative (SBTi) by setting near-term emissions reduction targets consistent with limiting global warming to 1.5°C. These targets cover our gross absolute Scope 1, Scope 2, and relevant Scope 3 categories, and are informed by SBTi's latest sectoral guidance and absolute contraction approach. As our value chain data quality improves, particularly for Scope emissions, we may recalculate and refine our targets in accordance with SBTi's target-validity and recalculation criteria to ensure continued accuracy, ambition, and alignment with science-based pathways.

The company has achieved carbon emissions reductions by installing a solar power plant at the head office. The installed capacity of 225kWh system is projected to have reduced approximately 78.02 tCO₂e and 113.31 tCO₂e during the reporting year 2025 and 2026 respectively. The total emissions reduced during the reporting year including the solar water heating system at Morendat facility stands at approximately 120.03 tCO₂e. The reduced emissions are higher since commissioning in the year 2023 based on the average peak hours of 5.5 and assumption that the system generates power all year round. The full disclosure of impact shall be reported in the future GHG disclosures.

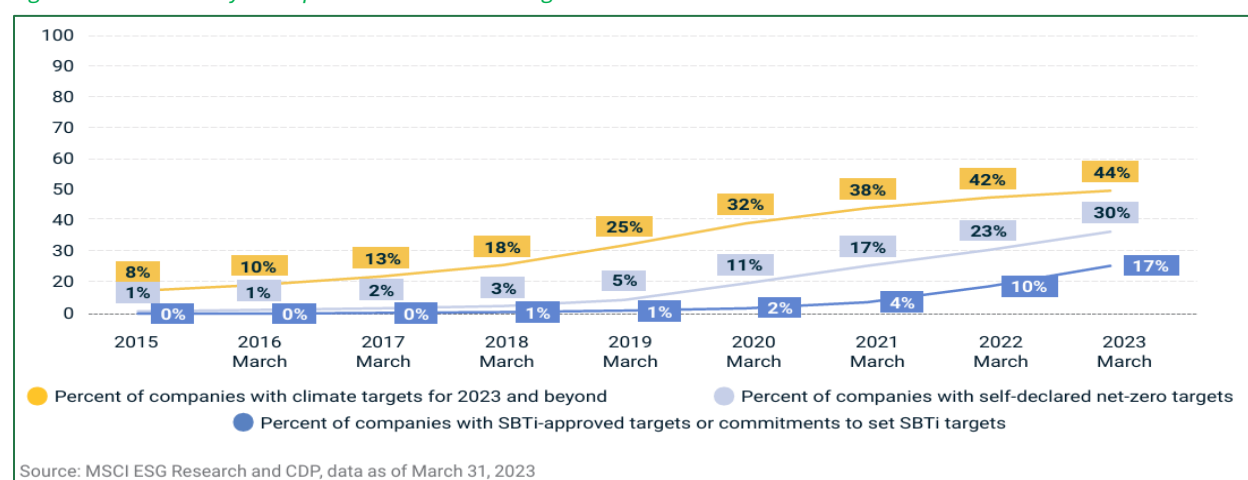
Secondly, the company commits to aligning its supply chain procurement with Paris-aligned pathways by progressively reducing the carbon intensity of capital goods/assets. This means setting 2030-2050 emissions intensity targets for high-impact scope 3 (categories 1 and 2) aligned with internationally recognized methodologies such as SBTi, and IEA climate scenarios and Kenya's 2030 NDCs target by reducing energy consumption and engaging with the Company's priority suppliers to support their decarbonization efforts, measuring and disclosing progress to KPC. The company shall explore the use of emissions offsets to reach Net-Zero commitments.

Table 18: Table 5: Emission Reduction Targets Aligned to SBTi and Net-Zero

Scope 1, 2 and 3 Absolute Operational GHG Emission Targets				
Scope	KPC Emissions (tCO ₂ e) 2026 Baseline	2030	2040	2050
Scope 1	1,701.00	-29%	-71.40%	-90%
Scope 2	10,116.00	-29%	-71.40%	-100%
Scope 3	22,351.00	-17.50%	-42.50%	-90%

According to a survey conducted by MSCI in 2023 (see figure 15 below), more listed companies are setting climate targets and disclosing their targets. Although listed companies in Kenya still lag in setting climate targets, the increase in regulatory enforcement especially by regulators such as CMA, NSE and CBK will likely accelerate tangible actions.

Figure 15: MSCI Survey: Companies with Climate Targets



8.2. Risks and Opportunities

KPC's greenhouse gas emissions assessment provides critical insight into both the risks and opportunities that climate change presents across its operations, value chain, and long-term strategic positioning. By identifying emissions hotspots, data gaps, and transition vulnerabilities, the assessment strengthens KPC's ability to manage regulatory, operational, and market risks while highlighting areas where efficiency gains, innovation, and supplier engagement can unlock value. These insights form a foundational component of KPC's broader climate-change management approach, supporting informed decision-making, resilience planning, and the development of credible transition pathways.

8.2.1. Integrating climate into risk management and strategy

Climate change presents both risks and opportunities for KPC's business and stakeholders. The company shall integrate climate risk considerations into its risk management framework to enhance resilience and support long-term value creation. This includes identifying and assessing physical and transition risks across its assets, embedding climate risk factors into financial risk models, scenario analysis and stress testing, and aligning risk management practices with international standards such as IFRS S2, Principles for Sustainable Investment (PSI) and OGCI.

At the same time, KPC recognizes that the transition to a low-carbon economy presents significant risks -mainly stranded assets as well as investment opportunities in green energy sources and technologies. By proactively identifying trends in the global and national green transition strategy, the company can start divesting in low

carbon fuels and support its clients in adapting to climate-related challenges while unlocking new growth potential for the Company.

8.2.2. Mobilizing finance for a low-carbon transition

Beyond reducing KPC's own climate impact, the Company can play an important role in mobilizing finance for the transition to a low-carbon economy in Kenya. The aim is to scale up its sustainable investment ambition, offering tailored low carbon alternatives products that support deployment of the critical green and energy-efficient technologies that enable decarbonization. The benchmarked companies and other major oil and gas companies have already started mobilizing funds and investing in green energy.

Additionally, by integrating climate risk and opportunity considerations into the Company's finance and investments frameworks, this will boost its sustainability and revenue retention leading towards transition, while ensuring financial stability and long-term value creation for its stakeholders.

8.3. Co-benefits

The GHG emissions assessment undertaken for KPC demonstrates the strategic value of integrating efficiency and climate science into core operations. By identifying emission hotspots and efficiency gaps, the exercise highlights opportunities for significant cost savings through reduced material consumption, optimized energy use, and minimized regulatory exposure. At the same time, the assessment equips KPC with the data needed to strengthen operational resilience against climate-related risks, ensuring infrastructure reliability and continuity in a changing environment.

Finally, transparent disclosure of emissions enhances KPC's reputation, positioning the company as a responsible energy operator aligned with global sustainability standards and investor expectations. Together, these outcomes underscore that emissions management is not only an environmental imperative but also a driver of financial performance, risk mitigation, and stakeholder trust.

8.3.1. Cost Savings

Conducting a GHG emissions assessment for KPC is critical in identifying inefficiencies across energy use, fuel consumption, and operational processes. By quantifying emissions from pipeline operations, transport fleets, and resource use within its facilities, the company can pinpoint areas of excessive energy/resource intensity and prioritize interventions such as energy-efficient pumping systems, sustainable consumption and optimized logistics. These measures not only reduce emissions but also translate directly into cost savings through reduced maintenance costs, and minimized regulatory penalties. In a sector where margins are increasingly scrutinized, emissions reduction strategies become synonymous with financial prudence, ensuring that sustainability aligns with profitability.

8.3.2. Operational Resilience

The assessment strengthens KPC's operational resilience by providing a science-based understanding of climate-related risks and vulnerabilities. Pipelines and associated infrastructure are highly exposed to decarbonization regulations (transition risks) through shifting consumption and investment patterns, and climate stressors such as extreme heat and flooding which can disrupt operations and compromise KPC's sustainability. By mapping emissions and integrating climate risk data, KPC can design adaptive strategies such as diversifying energy sources, investing in resilient infrastructure, and embedding climate scenarios into planning. This proactive approach reduces downtime, enhances supply reliability, and ensures compliance with evolving stakeholder expectations. In essence, emissions accounting is not just about reporting; it is a foundation for building systems that withstand climate shocks and secure long-term operational continuity.

8.3.3. Reputation

Transparent GHG emissions reporting enhances KPC's reputation among regulators, investors, and the public. As global capital increasingly flows toward low-carbon investments, demonstrating credible emissions management positions KPC as a responsible and forward-looking operator. This reputational capital is vital in attracting financing, securing partnerships, and maintaining a social license to operate in Kenya and the wider East African region. Moreover, by aligning with international disclosure standards such as the GHG Protocol and IPIECA GHG Reporting Guidelines, KPC signals its commitment to global best practice, reinforcing trust among stakeholders. In a market where reputational risks can quickly escalate into financial and regulatory consequences, emissions assessment and disclosure become a strategic asset, strengthening KPC's standing as a leader in sustainable energy infrastructure.

8.4. Recommendations

KPC's GHG emissions assessment exercise forms a foundational pathway for KPC to duly align its business strategy to changing stakeholder expectations. In this period, where climate change management has become a key tool to measure a company's contribution to global environmental health, the company is required to align to these expectations.

This assessment and report provide a solid basis for learning and improvement to the process. Below are key recommendations that can help KPC to fully meet stakeholder expectations on how the company manages climate related risks and opportunities.

8.4.1. GHG Assessment Boundary

- I. The organizational and operational boundary to be determined each time GHG assessment is conducted to account for any changes in assets or operations; for example when acquisitions of new subsidiaries has been conducted or when previously outsourced products and services are now being in-sourced respectively.

8.4.2. Data Management

- II. KPC shall determine relevant GHG data metrics that will be tracked across scopes 1, 2, and 3 material emission sources building on this baseline report. A detailed list of material GHG sources and related metrics shall be referenced from the GRI 11 and 102 Climate Change material topics, IFRS S2 metrics and targets and the GHG Assessment Inventory Report, 2025.
- III. In general, granular, physical activity data is recommended to increase the quality and precision of calculated emissions. For example:
 - Scope 1 mobile combustion data (fuel consumption) will be disaggregated per site where feasible. Key parameters such as vehicle model, type, and consumption units in liters to be tracked.
 - Scope 3 Categories 1 and 2 were calculated using the spend-based method. The spend-based calculations are the least precise among the methodologies, emissions can be over/underestimated. Supplier GHG emissions activity data collection will improve quality of the estimated emissions.
 - Tracking waste generated in operations disaggregated into organic, recyclables(plastics), hazardous, e-waste etc. Tracking of volumes in tonnes or kilograms and methodologies used to manage waste disposal.
 - Scope 3 Employee commute data survey response can be improved to estimate accurate emissions. The company will encourage at least 80 per cent response rate across all sites.
 - Scope 3 Business travel, flight, land transport (road, rail) and hotel-stay data will be improved to accurately estimate total business travel emissions. Key parameters to track are destinations (long or short haul), mode of travel, class e.g. economy/business, distances etc.
- IV. Developing GHG data collection , analysis and reporting procedures and tools. Excel templates or digital tools will be used to enhance efficiency, monitoring and performance.

- V. Conducting GHG emissions assessment for every reporting year to align with sustainability disclosures and annual financial reporting.
- VI. Supplier engagement could help with gathering better data. GHG emissions disclosure and transition performance as part of the vendor selection process to help in reducing operational emissions.
- VII. Implement Leak Detection and Repair (LDAR) programme at all pumping stations to determine potential fugitive emissions from the pipeline infrastructure.

8.4.3. Setting GHG Emissions Target

- I. Transition planning requires stakeholder buy-in especially the Board, Management, investors, customers, staff and regulators. Stakeholder engagement could help align expectations.
- II. Since Scope 3 emissions generated by KPC make up 65.42% of the inventory excluding complete waste generated in own operations; to set SBTi aligned targets , ~67% of Scope 3 emissions must be covered with targets.
- III. The company commits to a transition plan aligned to Net Zero decarbonization pathways, Kenya's 2030 NDC GHG emissions reduction targets and Transition Taskforce Planning (TPT) Framework.

8.4.4. Climate Risks Management

- I. The Board and Senior Management to provide oversight on climate related risks and opportunities (CRROs)management. The Board's TORs to reflect this and the role of management in implementing climate risks management strategy should be clearly defined. This is in alignment to GRI and IFRS S1 & S2 requirements.
- II. Conduct climate risks assessment to determine KPC's asset vulnerability to physical and transition risks. This to include climate scenario analysis and stress testing.
- III. Develop climate risks and opportunities management strategy. Include CRROs in KPC's Strategy, Risk Management Framework and capital allocation.
- IV. Develop internal capacities to manage CRRO's. This can be achieved through in-depth training and certification on GHG emissions management, climate risks assessment and transition planning. Alternatively, expert skills can be outsourced to bring the internal team to expert level in managing CRROs.

8.5 GHG, Climate & Data Management Implementation Plan

KPC's continued enhancement of its greenhouse gas inventory requires strengthening data quality, improving methodological consistency, and aligning disclosures with leading frameworks such as GRI, IFRS S2, and national climate-reporting expectations. The recommendations outlined below focus on advancing emissions measurement across all scopes, closing data gaps, improving supplier and operational transparency, and embedding climate-related governance, risk management, and transition planning into core business processes. Collectively, these actions position KPC to deliver more accurate reporting, meet emerging regulatory requirements, and build a credible pathway toward long-term decarbonization and resilience.

Table 19: Recommendations and Prioritization of Actions

#	Action	Priority	Timeline
1	Continuously define and identify material GHG data metrics and relevant units across Scope 1, 2 and 3 in line with GRI 11, GRI 102, IFRS S2 and the 2025 GHG Inventory. Structure and streamline GHG data collection procedures across departments and scopes 1,2 and 3 prioritizing collection of accurate activity data.	High	Short-term
2	Improve granularity of Scope 1 mobile combustion data (fuel use disaggregated by site, vehicle type, model and consumption). Similarly stationary combustion data to be disaggregated by site.	High	Short-term
3	Implement Leak Detection and Repair (LDAR) programme at all pumping stations to determine potential fugitive emissions from the pipeline infrastructure.	High	Short-term
4	Enhance Scope 3 Category 1 & 2 data quality by shifting from spend-based to supplier activity-based emissions data.	High	Medium-term

#	Action	Priority	Timeline
5	Establish detailed waste tracking by type (organic, plastics, hazardous, e-waste) and disposal method, using weight-based metrics.	Medium	Short-term
6	Collect Scope 3 employee commuting data via surveys and implement measures to achieve ≥80% response rate.	Medium	Short-term
7	Improve Scope 3 business travel data collection (air, road, rail, hotels), tracking distance, mode, class and destinations. Track hotel stays(e.g. location, 4-star, number of nights)	Medium	Short-term
8	Identify and close GHG data gaps such as parameter uncertainty thresholds and document justifications for exclusions in line with disclosure requirements.	High	Short-term
9	Develop standardized GHG data collection, analysis and reporting procedures and tools (Excel or digital platforms).	High	Short-term
10	Conduct annual GHG emissions assessments aligned with sustainability and financial reporting, comparing base year results.	High	Ongoing / Long-term
11	Integrate supplier GHG disclosures and transition performance into vendor selection and procurement processes.	Medium	Medium-term
12	Engage key stakeholders (Board, Management, investors, staff, customers, regulators) to build buy-in for transition planning.	High	Short-term
13	Commit to the defined SBTi-aligned GHG reduction targets covering at least ~67% of Scope 3 emissions.	Medium	Medium-term
14	Develop a Net Zero transition plan aligned with Kenya's 2030 and 2035 NDCs targets and the Transition Plan Taskforce Framework.	High	Medium-term
15	Formalize Board and senior management oversight of climate-related risks and opportunities (CRROs) within governance structures.	High	Short-term
16	Conduct climate risk and vulnerability assessments, including scenario analysis and stress testing to identify risks and opportunities that can affect KPC's value creation in the short, medium and long-term time horizons.	High	Medium-term
17	Integrate climate risks and opportunities into corporate strategy, risk management framework and capital allocation to enhance KPC's resilience to climate related risks.	High	Medium-term
18	Build internal capacity on GHG emissions management, climate risk assessment and transition planning through training or expert support.	High	Ongoing / Long-term

IFRS S2 AND GRI Aligned Index

GHG Emissions-related metrics	GRI 305	IFRS S2	Disclosure Within Report
Disclose absolute gross GHG emissions generated during the reporting period	305-1 (a) 305-2 (a) 305-3 (a)	29 (a) (i)	Section 6.2
Disclose methods used to measure GHG emission footprint (Scope 1, 2 and 3) to align it with the GHG Protocol.	305-1(b-f)305-2 (b-f) 305-3(b-f)	29 (a) (ii)	Section 2.1
Disclose the measurement approach, inputs and assumptions used by the entity to measure its GHG emission.	305-1(g)305-2(g)305-3(g)	29 (a) (iii) (1)	Section 2, 3 & 4
Disclose why the given measurement approach, inputs and assumptions were selected.	305-1(g)305-2(g)305-3(g)	29 (a) (iii) (2)	Section 2, 3 & 4
After the first disclosure of the measurement approach, inputs and assumptions used for calculation of GHG emissions, disclose if any updates were made to it.	N/A	29 (a) (iii) (3)	Not applicable
Disaggregate Scope 1 and 2 GHG emissions at consolidated accounting group level.	305-1. 305-2	29 (a) (iv)	Section 5
Disclose Scope 2 GHG emissions calculated using the location-based method and their associated contractual instruments.	305-2	29 (a) (v)	Section 5.2
Disclose the list of categories of Scope 3 GHG emissions that were included in calculation.	305-3	29 (a) (vi) (1)	Section 5.3
GHG Emissions-related Targets			
Disclose metric used to set targets, objective, part of entity the target applies, the period the target applies, the base period and milestones, and whether the target is qualitative, absolute or an intensity target. Disclose how the latest international agreement on climate change commitments has informed the target.	305-4, 305-5	33 (a)(b)(c)(d)(e)(f)(g)(h)	Section 8.1
Disclose information about the approach to setting and reviewing each target and how it monitors progress against each target	305-5	34 (a)(b)(c)(d)	Section 8
For GHG emissions targets, disclose which GHGs are covered by the target.	305-5	36 (a)	section 8
For GHG emissions targets, disclose what scopes of GHG emissions are covered by the target.	305-5	36 (b)	Section 8
For GHG emissions targets, disclose whether the targets refer to gross or net GHG emissions.	305-5	36 (c)	Section 8
For GHG emissions targets, disclose whether sectoral decarbonization approach methodology was used.	305-5	36 (d)	Section 8
If the entity plans to use carbon credits to achieve its GHG emissions targets, disclose what percentage of GHG emissions would be covered by credits.	305-5(2.9.5)	36 (e) (i)	Not Disclosed
If the entity plans to use carbon credits to achieve its GHG emissions targets, disclose whether carbon credits would be verified by a third-party.		36 (e) (ii)	Not Disclosed
If the entity plans to use carbon credits to achieve its GHG emissions targets, disclose what type of carbon credits would be used.		36 (e) (iii)	Not Disclosed
If the entity plans to use carbon credits to achieve its GHG emissions targets, disclose any other information relevant for assessment of credibility of those carbon credits.		38 (e) (iii)	Not Disclosed

9. Appendices

A) KPC GHG Data Collection Template

GHG emission scope	GHG emission category	Metric	Unit measure	Reporting year	Reported Unit Measure	Link to data Source/documentation	Source of Information
Scope 1	Stationary combustion (generators/pumps)	Diesel	liter	2024/2025	liter	FUEL CONSUMPTION FY 24-25_Granular.Bul	Fuel Consumption Granular FY 2024 - 2026
	Mobile combustion	Unleaded Super	liter, km	2024/2025	liter	FUEL CONSUMPTION FY 24-25_Granular.Bul	Fuel Consumption Granular FY 2024 - 2025
	Mobile combustion	Diesel	liter, km	2024/2025	liter	FUEL CONSUMPTION FY 24-25_Granular.Bul	Fuel Consumption Granular FY 2024 - 2026
	Fugitive emissions	Air conditioners newly installed	Number of units	2024/2025	Number	Air Conditioners Schedule Coast Region_Rev1	Air Conditioners Schedule for Coast Region
	Reforestation	Reforestation area	Hectare	2024/2025	Hectare	KPC_Annual Report 2024 final published.pdf	KPC Annual Report 2024 Final Published
Scope 2						Energy Bill Analysis Jan to June 2025.xls	Energy Bills Analysis 2024 - Pump station Consumption k/wh (July- Dec)
	Purchased electricity	Purchased electricity	k/wh	2024/2025	K'wh/KVA	Energy Bill Analysis Jul - Dec 2024.xlsx	Energy Bills Analysis 2025 - Pump station Consumption k/wh (Jan-June)
Scope 3	Purchased goods and services	Advertising and marketing services	KES	2024/2025	KES	KPC Financials	KPC Annual Report 2024 Final Published and Consolidated Financial Statements for the year ended 30th June 2025 - Draft statements. FY 2024 + FY 2025 (Company)
	Purchased goods and services	Computer and related services	KES	2024/2025	KES		
	Purchased goods and services	Telecommunication services	KES	2024/2025	KES		
	Purchased goods and services	Legal services	KES	2024/2025	KES		
	Purchased goods and services	Paper	tonne	2024/2025	KES		
	Purchased goods and services	Facility management	KES	2024/2025	KES		
	Purchased goods and services	Furniture	KES	2024/2025	KES		
	Capital goods	Movable assets	KES	2024/2025	KES		
	Capital goods	Immovable assets	KES	2024/2025	KES		
	Waste and water	Water consumption	m3	2024/2025		Water bills for all stations consumption July 202	Water Bills Period 2024 - 2025
	Waste and water	Organic waste	tonne	2024/2025			
	Waste and water	Waste oil	tonne	2024/2026			
	Waste and water	Sludge waste	tonne	2024/2025		Quantities for FY 24-25.docx	Hazardous Waste Records
	Waste and water	Paper	tonne	2024/2025			
	Waste and water	Electronic waste	tonne	2024/2025			
	Business travel	Petrol	liter, km	2024/2025			
	Business travel	Diesel	liter, km	2024/2025			
	Business travel	Flight (short haul)	km, number of tra	2024/2025			
	Business travel	Flight (long haul)	km, number of tra	2024/2025	KES	Flights Costs	
	Business travel	Hotel room	Number of nights	2024/2025			
	Employee commuting	Petrol	liter, km	2024/2025		Employee Commute Data	
	Employee commuting	Diesel	liter, km	2024/2025			
	Employee commuting	Hybrid	km	2024/2025			
	Employee commuting	Electric vehicle	km	2024/2025			
	Employee commuting	Train	km	2024/2025			
	Employee commuting	Bicycle	km	2024/2025			
	Employee commuting		km, number of tra	2024/2025			
	Employee commuting		km, number of tra	2024/2025			
	Leased assets (operational lease)	Movable assets	KES	2024/2025		KPC Financials	
	Investments		KES	2024/2025			
	Avoided Emissions	Installed capacity/Power generated	Kilowatt	2024/2025			

B) NACE Sector Mapping to KPC Scope 3 Categories

Mapping of NACE Rev 2.1 Sectors to KPC Categories	
Sector	KPC Subcategory
Paper and paper products	Paper consumption
Machinery and equipment n.e.c. (29)	Purchase of movable assets (equipment, machinery, pipeline infrastructure)
Office machinery and computers (30)	Computer and related services
Electrical machinery and apparatus n.e.c. (31)	Electrical Machinery
Motor vehicles, trailers and semi-trailers (34)	Purchase of movable assets (vehicles)
Furniture; other manufactured goods n.e.c. (36)	Furniture and other manufactured goods
Construction work (45)	Purchase of immovable assets (Buildings and Roads)
Computer and related services (72)	Software services
Hotel and restaurant services (55)	Hotel and accommodation
Transportation services via pipelines	Transport services
Air transport services (62)	Business Travel (flights)
Post and telecommunication services (64)	Telecommunication services
Oil/hazardous waste for treatment: incineration	Waste oil
Financial intermediation services, except insurance and pension funding services (65)	Shares

C) The following documents submitted separately to be referenced.

1. KPC Materiality Assessment Report, 2025
2. KPC GHG Assessment Methodology, 2025
3. KPC Site Visits Report, 2025
4. KPC GHG Emissions Inventory 2025/2026

10. References.

- GRI. 2018. Emissions 2016. GRI Standards.
- GHG Protocol. 2004. A Corporate Accounting and Reporting Standard. WBCSD and WRI.
- GHG Protocol. 2011. Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- WRI and WBCSD. GHG Protocol. 2013. Technical Guidance for Calculating Scope 3 Emissions. WRI and WBCSD.
- GHG Protocol. 2011. The Product Life Cycle Accounting and Reporting Standard.
- WRI and WBCSD. GHG Protocol. 2015. Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard. WRI.
- Gillenwater, Michael. 2015. Calculation Tool For Direct Emissions From Stationary Combustion. WRI/WBCSD.ICF.2011.GHG Emission Inventory Methodologies For State Transportation Departments.
- IFRS. 2023. IFRS S2 Sustainability Disclosure Standard Climate-related Disclosures. IASB.
- IFRS. 2023. IFRS S1 Sustainability Disclosure Standard. General Requirements for Disclosure of Sustainability- related Financial Information. IFRS.
- CDP. 2023. Relevance of Scope 3 Categories by Sector. CDP.
- EPA. 2025. Emission Factors for GHG Inventories.
- API. Compendium of Greenhouse Gas Emissions Methodologies for the Natural Gas and Oil Industry, 2025.
- David Picard. Fugitive Emissions from Oil and Natural Gas Activities-Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories.
- Stadler, Konstantin, Richard Wood, Tatyana Bulavskaya, and Carl-Johan Sodersten. 2021.
- Julian Burger, Zeinab Chamas, Ivona Palinkas. 2023. Definition of emission Factors.
- Mulholland, Eamonn, Pierre-Louis Ragon, and Felipe Rodríguez. 2023. CO2 Emissions From Trucks in The European Union: An Analysis of the 2020 Reporting Period. ICCT.
- EXIOBASE3, Zenodo.October21. Accessed: March,2026.
- PCAF. 2022. The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. 2nd Edition.
- CDP. 2023. Climate Change 2023 Reporting Guidance. CDP Worldwide.
- The-Oil-Gas-Decarbonization-Charter-Report-2024-1.pdf
- OGCI-Strategy-September-2021-2.pdf
- Kenya National GHG Emissions Inventory document
- EPRA.2025. Energy and Petroleum Statistics Report
- EPRA. 2026 (H1). Energy and Petroleum Statistics Report