



**KENYA PIPELINE
COMPANY PLC**

INAUGURAL SUSTAINABILITY REPORT

2025/26

Energy that transforms



SAFE
OPERATIONS



ENVIRONMENTAL
STEWARDSHIP



SOCIAL
IMPACT



RESPONSIBLE
GOVERNANCE

**Energy today.
A better tomorrow.**

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Abbreviations

AGPO	Access to Government Procurement Opportunities
CSI	Community Social Investments
DOSHS	Directorate of Occupational Safety and Health Services
EMCA	Environmental Management and Coordination Act
EPRA	Energy and Petroleum Regulatory Authority
ERM	Enterprise Risk Management
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
IPO	Initial Public Offering
ISO	International Organisation for Standardisation
KEPSA	Kenya Private Sector Alliance
KNCCI	Kenya National Chamber of Commerce and Industry
KPOWU	Kenya Petroleum Oil Workers Union
KPRL	Kenya Petroleum Refineries Limited
MIOG	Morendat Institute of Oil and Gas
MNET	Mombasa–Nairobi Pipeline System
MOU	Memorandum of Understanding
NEMA	National Environment Management Authority
NGAO	National Government Administration Officers
NSSF	National Social Security Fund
OSHA	Occupational Safety and Health Act
OHSAS	Occupational Health and Safety Assessment Series
PIEA	Petroleum Institute of East Africa
PPRA	Public Procurement Regulatory Authority
SCAC	State Corporations Advisory Committee
SCADA	Supervisory Control and Data Acquisition

SHE	Safety, Health and Environment
SRC	Salaries and Remuneration Commission

SECTION 1: EXECUTIVE SUMMARY

Our Sustainability and ESG Performance at a glance

Summary of ESG impacts

Economic contribution: Decent work and living

- Annual revenue of KES 42. 2 billion.
- 1,500 direct employees.
- Over 150 local suppliers awarded in 2025/26.
- KES 6.379 billion spent on local suppliers.

Equity, Inclusion and Diversity

- Women represent 35.7%, 67%, and 57% of the workforce, senior management, and board of directors, respectively.
- 4.07% of total workforce identify as persons with disabilities.
- Over 28 local ethnic groups employed within KPC PLC.
- Over 800 pupils with disabilities educated from across Kenya.
- Multi million budget spent on employee training and capacity building.

Environmental conservation

- 1,216,020 mangrove trees planted on 100ha at Tudor Creek, from 2017 to date.
- 905,200+ terrestrial seedlings planted.
- Over 93% growth success rate for trees planted.
- Over 170 ha of degraded land restored.
- Official sponsor of 2026 BAKE awards - Environment Category.
- 15 Community Forest Associations supported.
- In 2025, we renewed MOU with Kenya Forest Services (KFS) and made payment of KES 30 million to plant 300,000 mangroves.
- Over KES 200 million invested in making climate-positive infrastructural modifications such as shift to bottom loading facilities and use of dome-shaped floating tank roofs.

Social support

- Up to KES 120 million invested to provide access to quality education to more than 750 students with disabilities.
- 200 vulnerable households provided with LPG starter packs for clean cooking.
- 110 water projects completed, impacting 40,000+ lives.
- All Inuka scholars registered under the Social Health Authority (SHA).
- 19 projects completed to improve access to health care.

Operational performance

- Our annual pipeline throughput increased to 10.6million m³, 7.3% higher than 2024/25 and 7.1% higher than the target.
- Achieved annual storage working-capacity turnover of approximately 2.18 times, with 2.18 million m³ delivered against approximately 1.0 million m³ of working storage capacity.
- Overall risk rating for fire decreased from 20 to 15 due to internal control measures/improvement action plans.

Contributions to Sustainable Development Goals (SDG)

SDG	SDG Target	KPC Contribution
SDG 4 – Quality Education	4.5 Eliminate disparities in education access	Over 800 students with disabilities from disadvantaged backgrounds supported through the INUKA Scholarship Programme.
SDG 5 – Gender Equality	5.5 Ensure women’s participation in leadership and economic life	Women represent 57% of the board, 67% of the executive team and approximately 35.7% of the entire workforce.
SDG 6 – Clean Water and Sanitation	6.1 Achieve universal access to safe and affordable drinking water	Community projects include provision of water storage and piped water access. For example, villages near Sinendet depot have free water supply from the depot 24/7.
SDG 7 – Affordable and Clean Energy	7.1 Ensure universal access to affordable, reliable energy services	KPC operates the national petroleum pipeline network transporting fuel from Mombasa to inland depots, ensuring reliable supply of energy products essential for transport, manufacturing and power generation. The clean energy programme is enabling clean cooking among vulnerable households by providing free LPG starter packs.
	7.b Expand infrastructure for sustainable energy services	Continued investment in pipeline systems, pumping stations, and storage infrastructure strengthens national energy logistics capacity and reliability.
SDG 8 – Decent Work and Economic Growth	8.3 Promote development-oriented policies supporting productive activities and SMEs	Procurement from local suppliers and contractors creates opportunities for Kenyan businesses to participate in the petroleum logistics supply chain.

	8.5 Achieve full and productive employment and decent work for all	KPC employs over 1,500 staff and prioritizes recruitment of Kenyan professionals and technical personnel while supporting skills development and training.
SDG 9 – Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure	KPC maintains a national pipeline network (~1,342 km) enabling efficient petroleum distribution across Kenya and the region.
	9.4 Upgrade infrastructure for sustainability and resource efficiency	Use of monitoring systems, asset integrity inspections, and Smart PIG technology improves operational safety, efficiency and environmental protection.
SDG 12 – Responsible Consumption and Production	12.5 Substantially reduce waste generation	Implementation of waste segregation and improved waste management practices across operational facilities.
	12.6 Encourage companies to adopt sustainable practices and sustainability reporting	Publication of KPC's inaugural Sustainability Report aligned with GRI standards demonstrates commitment to responsible business practices and transparency.
SDG 13 – Climate Action	13.2 Integrate climate measures into policies and planning	KPC is developing a GHG inventory and climate risk assessment to manage emissions and climate-related operational risks.
SDG 15 – Life on Land	15.1 Ensure conservation and restoration of ecosystems	Reforestation programmes including planting over 2 million mangrove and terrestrial trees.
		Reducing emissions through infrastructural modifications like the bottom loading facilities
SDG 16 – Peace, Justice and Strong Institutions	16.5 Reduce corruption and develop accountable institutions	Implementation of governance frameworks including anti-corruption policies, whistleblower mechanisms and compliance monitoring.
	16.6 Develop effective, accountable institutions	Strong governance structures, board oversight, risk management frameworks and regulatory compliance mechanisms guide company operations.

Messages from our Leadership

Message from the Board Chair

It gives me great pleasure to present Kenya Pipeline Company's Inaugural Sustainability Report for the year ended 30 June 2026. Indeed, the reporting period (2025-2026) has been an eventful year, marked by significant corporate restructuring, strategic repositioning and a renewed commitment to sustainable value creation. Through this report, themed “Energy that Transforms”, we seek to share impacts of our business to people and planet; and the expected evolution based on this business transformation.

As one of East Africa's most strategic energy infrastructure companies in the region, KPC serves as a critical link in the petroleum supply chain; facilitating the safe, reliable, and efficient transportation and storage of petroleum products that power homes, businesses, industries, and public services in eleven markets namely Kenya, Uganda, Tanzania, Rwanda, Burundi, Democratic Republic of Congo (DRC), Ethiopia, Somalia, South Sudan, Zambia, and Malawi. We share in the report how we leverage our unique position in supporting economic growth, industrial development, and energy security across the region. In other words, our business enables the transformation of livelihoods and entire markets through quality petroleum products and supportive infrastructure.

Secondly, this reporting period represents a defining chapter in KPC's evolution and transformation. The Company's recent privatization and ongoing organizational restructuring signal a strategic shift towards a more agile, competitive, and future-ready enterprise. Indeed, these developments fuel our ambition to promote sustainability across our value chain by embedding environmental stewardship, social responsibility, and sound governance within the Company's strategy, policies, operations, and culture.

Thirdly, we share how our vision of becoming Africa's Premier Energy Partner and our 2025–2030 Strategic Plan, are positioning KPC to thrive in an increasingly dynamic and complex operating environment when the energy sector is undergoing profound transformation. Global realities, like climate change, technological advancement, evolving regulatory requirements, and rising stakeholder expectations, increasingly call for re-evaluation of business growth models and strategies. Growing stakeholder expectations also require organizations to demonstrate not only financial performance but also how they create value for society and manage their environmental and social impacts.

The Board remains committed to strengthen oversight of key ESG matters in this sensitive period, including climate resilience, environmental management, occupational health and safety, stakeholder engagement, ethics and compliance, and workforce development. We pledge to continue championing integration of sustainability considerations into strategic decision-making, risk management, investment planning, and performance monitoring over time.

On behalf of the Board of Directors, I wish to recognize the dedication and professionalism of KPC's management and staff, whose efforts continue to drive the Company's transformation and success. I also extend my sincere appreciation to our shareholders, customers, regulators, partners, and communities for their continued trust and support.

As we look to the future, we remain confident that by embracing innovation, strengthening governance, investing in our people, and integrating sustainability into every aspect of our business, KPC will continue to transform energy into an opportunity to create lasting value for stakeholders while contributing to a secure, resilient, and sustainable future for Kenya and the wider East African region. We are grateful to our stakeholders for accompanying us on this transformation journey; and for the trust and partnership that continue to make our success possible.

Faith J. Boinett, Chairperson, Board of Directors

Message from the Ag. Managing Director

I am honoured to present Kenya Pipeline Company's Inaugural Sustainability Report (2025-2026) themed 'Energy that Transforms', which reflects our commitment to operating responsibly while delivering on our mandate as a critical energy infrastructure provider serving Kenya and the wider East African region.

During the reporting period, KPC transitioned into a Public Listed Company (PLC), reinforcing the need for dynamic leadership, stakeholder engagement, and communication. With these developments, the Company focus remains ensuring the safe, reliable and efficient transportation and storage of petroleum products while strengthening operational sustainability across the business.

Within the reporting period, our business transformation has been marked by the company's privatization, internal organizational restructuring, and innovation. We have been continually evolving to improve operational integrity and performance, environmental stewardship and safety throughout the year. Notably, internal governance changes are on course to reflect the new legal requirements, improve ESG oversight and enable better accountability going forward. With our employees having stakes in the company, our employer-employee relationship has been enhanced into a partnership that will be more productive, resilient, and collaborative. We are keen to leverage this relationship through transparent communication and more inclusive decision-making structures.

Central to our core mandate, we are proud of the transformational leadership we offer across our markets. Since 2015, we have been on a journey of scaling our geographical footprint and operational capacity by enhancing pipeline and storage capacity and continually improving operational systems and processes. These measures have allowed us achieve 16% increase in our annual pipeline throughput; from 9.1million m³ in 2023/24 to 10.6million m³ in 2025/26. We surpassed the annual throughput budget for the year by 7.1%. Similarly, in 2025/26, we achieved a 2.2 tank turnaround by delivering 2,182,609m³ against a working capacity of 1,000,174m³.

We have also expanded our regional footprint to eleven markets. We continue to implement initiatives aimed at strengthening pipeline integrity management, emergency preparedness, environmental monitoring and incident response capability across our operations. Our focus is on early detection and prevention, supported by strict operating procedures, reliable monitoring systems, preventive maintenance, and disciplined asset management.

Also critical to our journey is that we contribute to sustainability transformation for our people and the environment. By integrating ESG principles into governance, operations, and decision-making, we ensure that our success is tied to environmental and biodiversity conservation, climate mitigation, and community empowerment.

A major milestone achieved during the reporting period was the completion of KPC's greenhouse gas emissions baseline assessment which has enabled the Company to better understand its emissions profile across Scopes 1, 2 and 3. The assessment report, available on

the KPC website, provides an important foundation for future climate-related reporting, emissions management initiatives and operational efficiency improvements.

We have made progress through projects and programs that spearhead environmental conservation and ecosystem restoration in various parts of the country. Over the last nine years, for example, we have fully restored 100 hectares of degraded mangrove forest in Tudor creek and actively participated in the restoring degraded land in Narasha Forest, Baringo county. By 2032, we target to plant five million trees across 250 hectares of land needing rehabilitation. We are proud that our restoration initiatives are also designed with social and genderized objectives that merge ecosystem restoration with empowerment of local communities. We have so far impacted over 1000 households at Jomvu kuu, in Mombasa.

Lastly, through the KPC Foundation, we have implemented various community projects within communities along the pipeline corridor. These include projects in water and sanitation, health, and education. Every year, we invest over KES 120 Million shillings to keep over 750 Inuka scholars in school, provide critical infrastructure upgrades to schools, promote accessibility of health services by donating equipment, and empower youth and women for better livelihoods. Organically, our depots continue to enable the mushrooming of local businesses for the communities around.

I wish to express my appreciation to the Board of Directors, our customers, regulators, shareholders, business partners and all stakeholders for their continued support and confidence in Kenya Pipeline Company. I also wish to sincerely thank our employees for their dedication, professionalism and commitment throughout the reporting period.

As we look to the future, we remain guided by a simple but powerful belief: that energy has the capacity to transform lives, businesses, communities, and nations. The theme of this report, *Energy that Transforms*, reflects our commitment to harnessing that transformative power responsibly; transforming our operations through innovation, transforming communities through shared value creation, and transforming the future through sustainable development. Indeed, we will continue to build a company that not only delivers energy but also delivers lasting impact.

Pius Stephen Mwendwa, KPC PLC Ag. Managing Director

SECTION 2: REPORT FOUNDATIONS

About this Report

Statement of use

Kenya Pipeline Company PLC (KPC PLC) has reported in accordance with the GRI Standards for the period from July 1, 2025 to June 30, 2026. The report (all reported information, including the organization's material topics, under Disclosure 2-14 in GRI 2) was reviewed and approved the company's highest governance body – the KPC Board of Directors.

This inaugural Sustainability Report reflects our commitment to integrating sustainability into our operations, strengthening transparency and accountability and communicating openly with stakeholders on matters material to our business and operations.

Reporting framework and standards

The following GRI standards were applied in the preparation of this report: GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021, and GRI 11: Oil and Gas Sector Standard 2021.

Reporting period, frequency and boundary

This report covers the period from 1 July 2025 to 30 June 2026, aligned with KPC's annual financial reporting cycle. KPC intends to publish sustainability disclosures regularly as part of future annual reporting cycles.

Reporting boundary

The organisational reporting boundary for this report includes Kenya Pipeline Company Limited (KPC PLC) and subsidiaries Kenya Petroleum Refineries Limited (KPRL) and Morendat Institute of Oil and Gas (MIOG).

Application of GRI Principles

The report demonstrates a strong overall application of the GRI Reporting Principles. It provides a clear and structured account of the Company's material sustainability impacts, supported by a robust materiality assessment, stakeholder engagement process, and comprehensive GRI Content Index. The disclosures are generally clear, relevant, and presented in a manner that supports stakeholder access to and understanding of information, and consequent decision-making.

However, this being an inaugural report, there is an opportunity to further strengthen future reporting by particular enhancing the application of three GRI Principles: i) Balance of positive

and negative performance; ii) Improving completeness of selected disclosures, and iii) pursuing external assurance to increase verifiability. These gaps are largely associated with the ongoing development of sustainability data management processes and the availability of historical data. KPC PLC recognizes these areas for improvement and is committed to enhancing data collection, management, and reporting systems to achieve increasingly comprehensive sustainability reporting.

Restatements of information

As this is KPC's inaugural Sustainability Report, there are no restatements of previously reported sustainability information.

External assurance

The disclosures contained in this report have not been externally assured. KPC continues to strengthen internal governance and review processes for sustainability reporting and may consider external assurance of selected disclosures in future reporting cycles.

Reporting Note on Financial Information

The financial information disclosed in this Sustainability Report is based on management accounts and internal financial records available at the reporting date. As the external audit of the Company's financial statements for the year ended 30 June 2026 had not been completed at the time of publication, the financial data contained herein remains unaudited and may be subject to revision following completion of the statutory audit process.

Contact and stakeholder feedback

KPC welcomes stakeholder feedback on this report and on our sustainability initiatives and disclosures.

Call centre: +254 709 723 000

Email: info@kpc.co.ke

Customer service: customerservice@kpc.co.ke

Statement on organizational restructuring and sustainability

The recent privatization of Kenya Pipeline Company (KPC) marks a significant milestone in the Company's transformation journey and presents a unique opportunity to strengthen our position as a leading energy infrastructure provider in Kenya and the wider East African region. Guided by our 2025–2030 Strategic Plan, we are advancing towards our vision of becoming Africa's Premier Energy Partner through enhanced operational excellence, strategic investments, innovation, and partnerships that support sustainable growth.

As a result of the privatization of the company in April 2026, KPC is no longer a state corporation fully owned by the government. Rather, several parties now co-share the company as highlighted in the table below (table 1).

Table 1 KPC ownership structure

Current ownership (%)	Shareholder	Notes
40.99%	Local Institutional Investors (Kenyan)	Includes local pension funds, insurance firms, and asset managers. Mostly held under nominee accounts.
35.00%	Government of Kenya	There is a mandatory two-year lock-in period to ensure market stability.
21.22%	EAC investors	Regional strategic anchor investors, including Uganda National Oil Company (UNOC).
2.56%	Kenyan Retail Investors	Individual public citizens participating through the oversubscribed offer.
0.06%	KPC Employees	The shares were reserved under an employee share ownership framework.
0.02%	International investors	Global institutional allocation.
0.01%	Oil Marketing Companies (OMCs)	Direct stakes taken up by mid-stream petroleum marketing players.

As a publicly listed company, KPC recognizes that sustainability is no longer solely a matter of compliance, but a strategic imperative for long-term value creation, for our shareholders and communities. The Company's transformation is underpinned by a commitment to integrating Environmental, Social, and Governance (ESG) considerations into decision-making, risk management, and operational performance. Through strengthened governance structures, enhanced stakeholder engagement, increased transparency, and greater focus on climate resilience, KPC aims to build investor confidence, improve access to capital, support operational excellence, and reinforce its role as a trusted energy partner serving the region.

The organizational restructuring undertaken during the reporting period is intended to enhance agility, accountability, and performance across the business while positioning KPC to respond

effectively to evolving market conditions, regulatory requirements, and stakeholder expectations. This transformation provides a foundation for embedding sustainability more deeply across all levels of the organization and strengthening our ability to manage both opportunities and risks associated with the changing energy landscape.

Further, the Company recognizes that strong ESG performance is increasingly linked to investor confidence, operational resilience, access to finance, and long-term competitiveness. As a result, therefore, this Sustainability Report serves as an important platform through which we communicate our ESG performance, engage stakeholders, disclose material impacts, and demonstrate our contribution to sustainable development.

Prepared in accordance with the Global Reporting Initiative (GRI) Standards, this report reflects our commitment to transparency, accountability, responsible governance, and continuous improvement. Our Strategic business priorities remain focused on:

1. Operational efficiency and adopting new technologies.
2. Revenue diversification and financial growth for long term business growth and sustainability within the transition to cleaner energy environment.
3. Integration of Environmental, social and governance metrics across all business levels.
4. Empowering people and building organisational capability.

Through these priorities, KPC will continue to deliver:

- National and Regional energy security.
- Transparent and accountable relations with stakeholders.
- Economic value to shareholders.
- Eco social benefits to the environment and communities around us.
- Positive work environment for staff and contractors.

Materiality Assessment

An assessment aimed at identifying and prioritising the most significant environmental, social and economic topics was conducted through a tripartite approach where Oil and Gas industry topics (GRI 11) and those reported on by industry peers were identified to form a basis for further reviewed. Afterwards, stakeholders were engaged to triangulate, validate and prioritize the preliminary list of topics into a final list of material topics for KPC's transparent reporting and strategic planning going forward.

Overview of stakeholder engagement

As a regional infrastructure operator, KPC PLC interacts with a diverse range of stakeholders who influence, or are impacted by our operations and programmes. These include government institutions, regulators, customers, suppliers, contractors, industry associations and communities located along the pipeline corridor and around our operational facilities. We engage these stakeholders in diverse occasions to understand stakeholder expectations, concerns and priorities, and to integrate these insights into our decision-making, operational planning and risk management processes. We believe that effective stakeholder engagement is imperative to ensuring operational continuity, transparency and accountability, and managing economic, environmental and social impacts associated with petroleum logistics infrastructure. It also enables us to build trust, maintain our social licence to operate and collaborate with stakeholders to improve safety, environmental protection and service delivery across the petroleum supply chain.

As part of the Materiality assessment process, we applied a structured and impact-based approach to identifying the environmental, social and governance issues that are most significant to our business and stakeholders. In line with the GRI Standards, we identified material topics based on the significance of our impacts on people and planet through contributions to the economy, environmental and society.

We engaged stakeholders through a combination of structured questionnaires, interviews, consultative meetings, written correspondence and community meetings; depending on the nature of stakeholder relationships, operational sensitivities and the level of potential impact or influence associated with different stakeholder groups. The engagements highlighted stakeholder concerns, expectations and priorities relating to KPC's environmental, social and governance impacts.

Various stakeholder groups were identified based on their relationship with our operations, i.e. their influence on the Company and the extent to which they may be affected by our activities. The stakeholder mapping exercise drew on operational experience across the pipeline network, existing engagement mechanisms and key operational, regulatory and community interfaces.

The stakeholder groups engaged during the assessment include:

- The Board, executive leadership and senior management.
- Employees across operational and administrative functions.
- Sector regulators and public authorities.
- Regional partners/customers.
- Shareholders.
- National Treasury / Government of Kenya Representative.
- Oil marketing companies.
- Suppliers and contractors.
- Communities located along pipeline corridors and around operational facilities.
- Infrastructure and logistics partners.

Material topics

Identification of impacts and sustainability issues

Actual and potential impacts associated with our operations across the petroleum logistics value chain are identified and monitored through several methods namely

- Operational risk assessments.
- Engineering and technical reviews.
- Environmental monitoring.
- Operational inspections and facility surveillance.
- Incident investigations and near-miss reporting.
- Regulatory inspections and engagements.
- Stakeholder feedback and consultations.

This multidimensional approach ensures coverage of the entire value chain including pipeline transportation activities, storage infrastructure, contractor activities and interactions with customers, communities and the environment. We identify and characterize risks by nature, severity of potential consequences, the stakeholders or environments that could be affected and the preventive or corrective controls required.

Assessment and prioritisation of material topics

Stakeholder inputs were analysed and mapped against relevant GRI 11 topics, with incorporation of the management's perspectives on their operational, regulatory and strategic significance. The assessment and prioritization of identified topics considered:

- Severity and likelihood of impacts.
- Stakeholder concern and expectations.
- Operational and regulatory implications.
- Strategic relevance to the business.
- Potential impact on long-term resilience and value creation.

This integrated approach helps ensure that our material topics reflect both stakeholder expectations and the realities of operating critical national energy infrastructure.

Validation and refinement of material topics

Following the assessment and prioritisation process, the identified material topics were reviewed and refined through management review and validation processes. This process helped confirm the relevance of identified topics, consolidate overlapping issues and strengthen alignment with GRI 11 Oil and Gas Sector guidance. Further, the process also supports the identification of emerging sustainability risks and evolving stakeholder concerns that may influence future reporting priorities.

Identified material topics

Based on the outcome of the materiality assessment and stakeholder engagement process, we identified the following sustainability topics as material to our operations and stakeholders:

1. GRI 11.8 – Asset integrity and critical incident management
2. GRI 11.9 – Occupational health and safety
3. GRI 11.6 – Water and effluents
4. GRI 11.14 – Economic impacts
5. GRI 11.15 – Local communities
6. GRI 11.10 – Employment practices
7. GRI 11.2 – Climate adaptation, resilience and transition
8. GRI 11.22 – Public policy
9. GRI 11.5 – Waste
10. GRI 11.4 – Biodiversity
11. GRI 11.16 – Land and resource rights
12. GRI 11.1 – GHG emissions

These topics form the basis for the disclosures contained in this report and guide how we manage and report on our most significant environmental, social and governance impacts going forward.

Materiality matrix

Figure 2 below shows the results of the materiality assessment exercise with topics mapped based on their significance to stakeholders (y-axis) and their significance to business operations, strategy and long-term resilience (x-axis). The materiality matrix, therefore, provides a visual representation of the sustainability topics considered most critical to KPC and supports prioritisation of disclosures within this report.

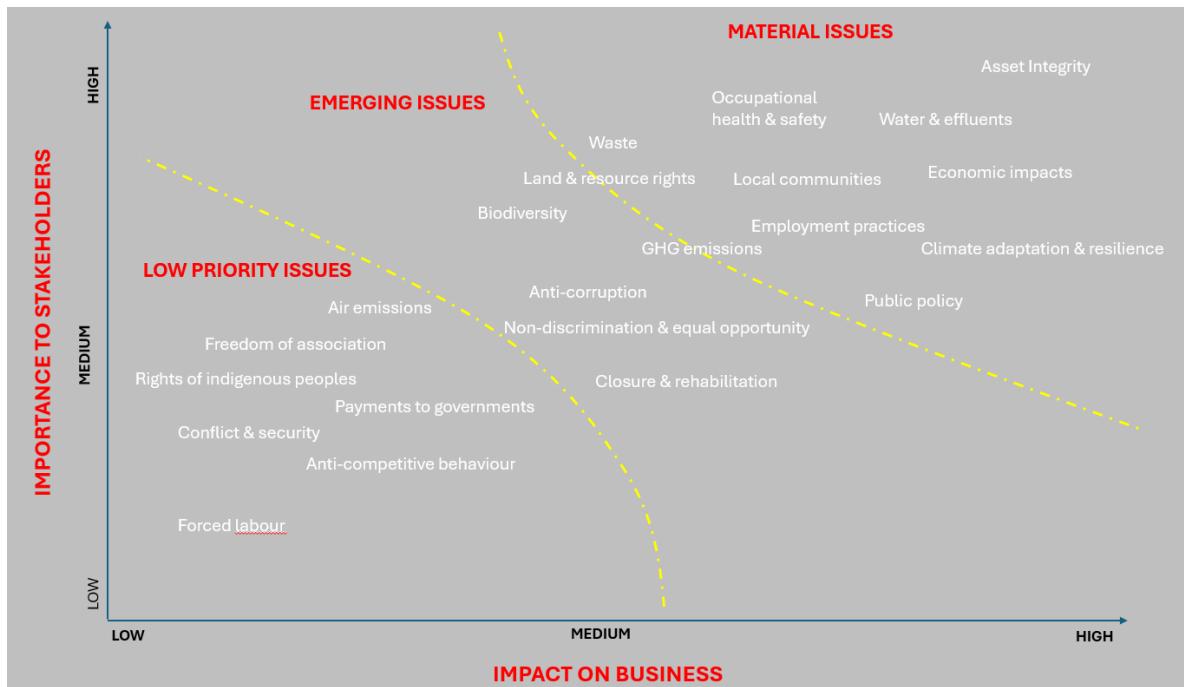


Figure 1 Materiality matrix

Management of material topics

For each material topic identified in this report, we describe how the issue is managed within KPC as guided by disclosures within the GRI Topic and Sector Standards. In general, disclosures cover the following:

- The Company's approach to managing the issue and its relevance to our operations.
- Policies and procedures that guide management of the topic.
- Actions and initiatives implemented during the reporting period.
- Performance indicators and metrics used to monitor progress.

Together, these disclosures provide transparency on how KPC manages the environmental, social and economic impacts associated with our operations and the value chain.

SECTION 3: ABOUT KENYA PIPELINE COMPANY

Organisational Profile

Who We Are

Kenya Pipeline Company PLC (KPC) is the national energy logistics company responsible for transporting, storing and delivering petroleum products across Kenya. The company was established under the Companies Act (CAP 486) of the Laws of Kenya as a State Corporation in 1973 and has over the years operated as the backbone of Kenya's petroleum distribution system. As a parastatal, 100% of KPC was government-owned, with 99.9% shareholding by the National Treasury and less than 0.1% held by the Ministry of Energy and Petroleum.

In April 2026, in line with the provisions of Section 23 of the Privatization Act, 2005, the privatization of KPC was formally completed, with the National Treasury Cabinet Secretary John Mbadi signing a legal notice officially revoking KPC from the list of State Corporations and transitioning it into a Public Listed Company. The Privatization Authority also officially handed over KES 103.45 billion in proceeds to the National Treasury, signifying the completion of the country's first fully digital Initial Public Offering (IPO).

The company's headquarter is located at Kenpipe Plaza, situated on Sekondi Road, off Nanyuki Road in the Industrial Area of Nairobi, Kenya.

Our mandate

Our mandate is to transport, store and deliver petroleum products across Kenya and the East African region safely, reliably and efficiently. Some of the products we handle include Jet A-1 (aviation fuel), Automotive Gas Oil (AGO)/Diesel, Premium Motor Spirit (PMS)/Petrol, Illuminating Kerosene (IK), Liquefied Petroleum Gas (LPG) and Heavy Fuel Oil (HFO). As a result, KPC supports a wide range of economic sectors, including manufacturing, aviation, transport, agriculture and essential services.

As custodians of critical national infrastructure, we operate with a strong focus on accountability, safety, and environmental stewardship. By transporting fuel through pipelines rather than long-distance road trucking, we contribute to:

- Improved efficiency and reliability in fuel distribution.
- Reduced GHG emissions from fuel combustion in trucks.
- Lower logistics costs across the petroleum supply chain.
- Greater national and regional energy security.
- Reduced road congestion and accident risks.

Our philosophies

Our organisational philosophy defines our long-term direction and guides the decisions we make as we deliver energy logistics services to the country.

Vision: To be Africa's Premier Energy Partner.

This vision reflects our ambition to evolve from a national pipeline operator into a regional leader in energy logistics infrastructure and integrated petroleum solutions.

Mission: Safe delivery of quality and sustainable energy and integrated solutions to our stakeholders with utmost care.

Our mission emphasises operational excellence, safety, service reliability and responsible stewardship of the infrastructure entrusted to us.

Core Values: Our core values guide behaviour, collaboration and decision-making across the organisation:

- Integrity – conducting our business ethically and transparently.
- Innovation – continuously improving our systems, processes and technologies.
- Collaboration – working closely with stakeholders and partners.
- Safety and Environmental stewardship – managing our operations responsibly and protecting the natural environment.
- Customer Centricity – enhancing the experiences of Oil Marketing Companies' (OMCs) and regional stakeholders' through improved communication, data sharing, responsive logistics, and the safe, efficient transportation of petroleum products across East Africa.
- Diligence- reviewing infrastructure, assets and processes to continuously improve efficiency and performance.

Company Motto: To do our best always.

This motto echoes our culture where discipline and excellence are expected and celebrated across all facilities, from pumping stations and depots to control rooms and offices.

Our Subsidiaries: Entities included in KPC's sustainability reporting

To enhance operational efficiency and sectoral capability development, KPC operates within a group structure comprising strategic subsidiaries and a Foundation that spearheads company Community Social Investment (CSI) activities.

Kenya Petroleum Refineries Limited (KPRL)

Acquired in October 2023, KPRL is a strategic investment to strengthen KPC's position as an integrated energy infrastructure company by expanding its capabilities beyond pipeline transportation and storage into value-added energy infrastructure services. It complements KPC's core business through its extensive land assets, storage infrastructure, and strategic location within Kenya's petroleum logistics network.

As one, the two entities are well positioned to optimize national petroleum infrastructure, enhance operational efficiencies, and support the achievement of regional long-term energy security. The acquisition of KPRL has availed additional assets such as storage facilities and product-quality laboratory services that enhance company operations to achieve a more integrated, resilient, and future-ready energy infrastructure business.

Morendat Institute of Oil and Gas (MIOG)

Established in 2014 as a specialised oil and gas training institution, MIOG provides technical training programmes to support the development of technical competencies relevant to the petroleum, energy and infrastructure sectors. The institute operates campuses in Nairobi, Naivasha and Eldoret and contributes to human capital development within Kenya and the wider region.

During the reporting period:

- MIOG launched an International Certified Welder course aligned to ISO 9606 standards, providing trainees with globally recognised certification applicable across oil and gas, construction and manufacturing sectors.
- MIOG's nominee represented Kenya at the WorldSkills International Competition in Lyon, France following success in the Kenya National WorldSkills welding competition.
- MIOG continued delivering technical and sector training programmes through partnerships with institutions including KENGEN, EPRA, EWURA Tanzania, VTTI, Central Bank of Kenya and regional petroleum sector organisations.

MIOG also partners with the KPC Foundation and other partners to empower traditionally excluded communities through access to technical skills that are relevant in the oil and gas sector. These initiatives contribute to employability, economic empowerment and development of technical competencies required within the evolving energy and industrial sectors.

KPC Foundation

This is KPC's arm to advancing CSI projects since its inception in 2016. As a charitable trust, the foundation receives up to 1% of the company's profit-before-tax to invest in community projects within several priority areas namely: education, water, health, environment, empowerment, sports for development and social inclusion. The Foundation's efforts and achievements will be highlighted in detail later in this report.

Our value chain

KPC operates in the midstream segment of the petroleum value chain and interacts with a range of partners and stakeholders. We influence safety standards and service reliability across the value chain through strategic collaborations, policy advocacy, procurement systems, supplier engagement and operational coordination.

Our upstream interface features suppliers and contractors who provide equipment, technical services like engineering and infrastructure maintenance and other professional services. On the other hand, downstream value chain players consist of oil marketing companies, aviation fuel suppliers and other distribution networks.

Key company milestones

Year	Milestone	ESG Importance
1973	Kenya Pipeline Company was established	Company mandate forms the foundation for corporate governance, energy security and national economic development.
1978	Commercial takeoff: pipeline operations commence following the completion of Line 1, a 450-km, 14-inch refined oil pipeline running from Mombasa to Nairobi.	Pipeline transport reduced reliance on road tanker transport, improving transport efficiency, lowering accident risks and fuel consumption and associated emissions per unit transported. It also strengthened national energy access.
1994	National expansion of pipeline by constructing a 446-km pipeline network linking Nairobi to Nakuru, Eldoret, and Kisumu.	Extended cleaner, safer fuel transportation to western Kenya, reducing heavy truck traffic, congestion, road deterioration and associated emissions while improving regional energy access.
2011	Capacity Boosting: A 325-km parallel pipeline from Nairobi to Eldoret was commissioned to handle rising demand in western Kenya and transit markets.	Improved operational efficiency and reduced energy losses associated with transporting petroleum products.
2014	Morendat Institute of Oil & Gas National Polytechnic (MIOG) established	Strengthened local technical capacity, workforce development and industry skills, contributing to human capital development and safer operations across the energy sector.
2015	Launch of Vision 2025 corporate strategy	Established CSI as a strategic business priority.
2016	Commissioning of a 121-km parallel pipeline from Sinendet to Kisumu to step up fuel export volumes via Lake Victoria.	Facilitated more efficient fuel transport to the Lake Victoria region, reducing dependence on road transport while supporting regional trade and economic integration.

2016	KPC Foundation established to champion CSI activities	Formalised KPC's community investment programme, supporting education, health, environmental conservation, disaster response and community livelihoods in host communities.
2018	Line 5 commissioning: The landmark 450-km, 20-inch diameter parallel pipeline from Mombasa to Nairobi was completed, drastically improving the country's fuel security.	Modern pipeline technology improved energy efficiency, reduced operational losses and strengthened pipeline integrity.
2022	Kisumu Oil Jetty Operationalization: The Kisumu Oil Jetty (KOJ) was officially operationalized, establishing a cheaper, safe marine fuel transportation corridor across Lake Victoria to Uganda and neighboring regional countries	Enabled a more efficient marine fuel transport system across Lake Victoria, reducing long-distance road transportation, improving regional connectivity and supporting East African trade.
2023	Acquisition of Kenya Petroleum Refineries Limited as a wholly owned subsidiary	Expanded KPC's strategic role in petroleum infrastructure, creating opportunities to optimise storage, improve operational efficiency and support future energy transition initiatives.
2025	Launch of the 2025–2030 Strategic Plan	Reinforced KPC's commitment to sustainable growth, digital transformation, operational resilience, climate action and ESG integration into business strategy.
2026	Transition from state-owned parastatal to public listed company	Expected to strengthen corporate governance, transparency, accountability and ESG disclosure through enhanced regulatory oversight and increased investor expectations.

Our Business / Value creation Model

Our business model centres on providing reliable petroleum logistics infrastructure that connects fuel import points with inland demand centres across Kenya and the region. Through the safe transportation, storage and handling of petroleum products, we enable stable supply chains that support economic activity, mobility and essential services. Founded on strong governance, ESG oversight, and risk management principles, there are five key components in our value creation model, leading from inputs to impacts as shown in figure 2.

Key inputs: Our operations rely on skilled employees and specialised technical expertise, a national pipeline and storage infrastructure network, monitoring and control technologies,

capital investment and strategic partnerships, as well as the natural and environmental resources along the pipeline corridor where our assets operate.

Core activities: Using these resources, we receive petroleum products at coastal import terminals and transport them through our national pipeline network to inland depots. Our operations include storage and terminal management, continuous inspection and maintenance of pipeline infrastructure, asset integrity management, and the operation of safety systems and emergency response capabilities.

Outputs: Through these activities, we deliver reliable petroleum transportation and storage services that support stable fuel supply chains across Kenya and the region while ensuring compliance with safety, environmental and regulatory requirements.

Outcomes: The outcomes of our business model extend beyond operational outputs. By enabling efficient fuel distribution through pipelines, we strengthen national energy security, reduce reliance on long-distance fuel trucking, improve road safety and reduce congestion, and support economic growth and regional trade.

Impact: Sustainable development across Kenya and the East African region.

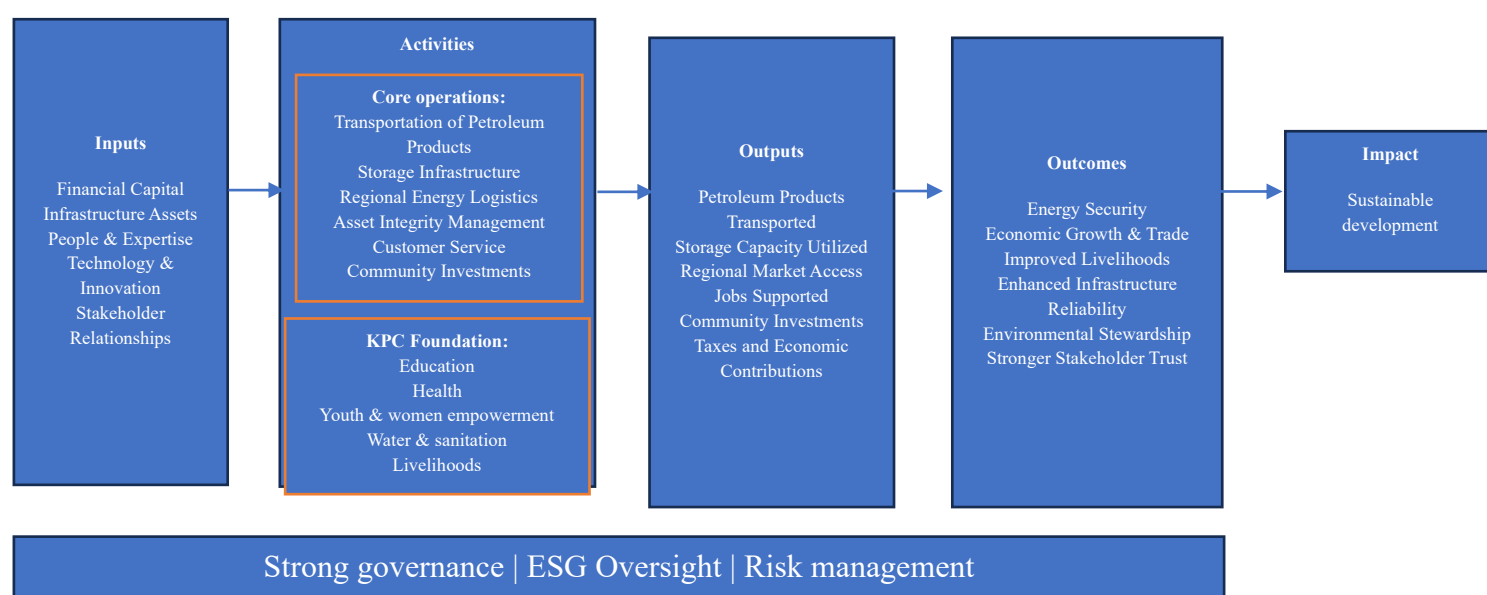


Figure 2 KPC's business model: how we create shared value

Critical infrastructure owned and decommissioned

Major operational infrastructure owned:

1. 1,342 km of pipeline including:
 - Line 2 (Nairobi to Eldoret): 325km, 6 & 8 inch.
 - Line 3 (Sinendet to Kisumu): 121km, 10 inch.

- Line 4 (Nairobi to Eldoret): 325km, 14 inch.
 - Line 5 (Mombasa – Nairobi): 450km, 20 inch.
 - Line 6 (Sinendet-Kisumu): 121km, 10 inch.
2. Eleven (11) Pumping stations.
 3. Six (6) Truck-loading facilities.
 4. Two (2) Aviation Hydrant Refueling facilities at Jomo Kenyatta and Moi International Airports
 5. One (1) Oil and Gas Marine Terminals on Lake Victoria, in Kisumu County. In addition, however, we operate Kipevu Oil Terminal 2 owned by KPC, in Mombasa County.
 6. 1,138,000m³ storage facilities are at eight (8) locations

Decommissioned infrastructure

As a responsible corporate citizen, KPC recognizes that the lifecycle management of midstream oil and gas infrastructure introduces distinct environmental, social, and economic impacts. The decommissioning of aging pipelines and terminal storage assets can lead to soil and groundwater contamination, structural instability, habitat fragmentation, and the displacement of local communities, if not managed properly. Conversely, proactive and responsible closure planning can mitigate these long-term liabilities and offer strategic opportunities for socioeconomic asset repurposing.

We closely monitor infrastructure through continuous stakeholder engagement, rigorous Environmental and Social Impact Assessments (ESIAs), and strict adherence to the National Environment Management Authority (NEMA) guidelines. Our approach targets zero-harm to human health and the natural environment as anchored in our corporate Environmental Policy. Our Environmental Policy is and aligned with international frameworks, global industry best practices, and national regulations including ISO 14001:2015 Certification, API and ASME standards for pipeline abandonment and extraction, Section 58 of Kenya's Environmental Management and Co-ordination Act (EMCA, 1999), Petroleum Act provisions, and Article 42 of the Constitution of Kenya.

In 2020, Kenya Pipeline Company (KPC) retired the 450-kilometre, 14-inch Mombasa–Nairobi Pipeline (Line 1) from petroleum service after decades of service, as ageing infrastructure had resulted in frequent leaks and increasing maintenance costs. In line with the Environmental Management and Coordination Act (EMCA), 1999, and the requirements of the National Environment Management Authority (NEMA), KPC commissioned a NEMA-registered environmental consultancy to undertake an Environmental and Social Impact Assessment (ESIA). The study evaluated the environmental and social implications of the available decommissioning options and informed the preferred approach.

Based on the ESIA findings, KPC adopted a sustainable decommissioning strategy that combined resource recovery with infrastructure repurposing. Approximately 279 km of the pipeline would be recovered for recycling as scrap metal, while the remaining 171 km was to be repurposed to transport water into Mombasa, from Mzima Springs. At the time, the water

demand in the region was approximated at 329,306 m³/day against a production of 180,000 m³/day.

The proposed approach would maximise resource efficiency, enable improved access to water, and reduce waste generation. In addition, several environmental risks associated with leaving an ageing infrastructure in place would be mitigated. For example, possible soil and groundwater contamination from residual petroleum products and the long-term deterioration of pipeline materials. The project was however halted by NEMA and will be undertaken once approval from the regulator is secured.

KPC PLC remains committed to environmental stewardship, circular economy principles, and responsible infrastructure lifecycle management. The company believes that a managed decommissioning process can help minimize environmental risks and avail social and economic benefits.

Our geographic footprint

Our operational infrastructure spans across the country, linking the coastal supply point to inland demand centres. This includes a 1,342 km pipeline system; pump stations and terminals at Mombasa, Samburu, Maungu, Manyani, Mtito Andei, Makindu, Sultan Hamud, Konza, Nairobi Terminal; and inland depots such as Nakuru, Eldoret, and Kisumu. Additionally, we support aviation fuel operations at the Embakasi Aviation Depot (JKIA) and the Moi Airport facility in Mombasa.

Further, our regional presence has grown over the last 7-10 years. Aside from Kenya, we support ten (10) African countries namely: Uganda, Tanzania, Rwanda, Burundi, Democratic Republic of Congo (DRC), Ethiopia, Somalia, South Sudan, Zambia, and Malawi.

Operating Environment and Regulatory Oversight

KPC operates within Kenya’s regulatory framework governing petroleum infrastructure, environmental protection and occupational safety. Key regulatory institutions overseeing our operations include:

- Energy and Petroleum Regulatory Authority (EPRA).
- National Environment Management Authority (NEMA).
- Directorate of Occupational Safety and Health Services (DOSHS).
- Capital Markets Authority (CMA) – since April 2026.

Through compliance systems, inspections and regular engagement with regulators, we ensure that our operations meet applicable licensing, environmental and safety requirements. We also maintain internal registers that track regulatory obligations, licences and corrective actions arising from inspections and audits. Our regulatory compliance approach includes:

- Monitoring compliance obligations.
- Maintaining required licences and permits.
- Internal compliance reviews and audits.
- Engagement with regulators and oversight institutions.
- Incident reporting and corrective action processes.
- Policy and procedural reviews.

Table 2 provides a summary of the regulatory requirements under which we conduct business and the frequency compliance audits.

Table 2 Compliance to regulatory requirements

Regulatory Requirement	Status	Notes
Effluent Discharge Licences	Compliant	Updated annually
Air Emission Licences	Compliant	Updated annually
Environmental Impact Assessments (EIA)	Compliant	Updated for all expansion projects
Environmental Audits (NEMA)	Done annually	Last audited February 2025
ISO 14001 Certification	Maintained	Surveillance audit February 2025
Workplace Registration (DOSHS)	Compliant	Renewed May 2025
Fire Safety Audit	Compliant	Valid
Occupational Safety & Health Audit	Compliant	Valid
Medical Examinations	Compliant	Annual
Effluent Water Analysis	Compliant	Quarterly
Emergency Response Drills	Compliant	Quarterly
Process Safety Audit	Ongoing	209 CARs raised; 50% closed
Electrical Safety Audit	Ongoing	68 CARs raised; 70% closed

We work closely with regulators to address identified issues and continuously strengthen our operational practices. Where instances of non-compliance or governance concerns are identified, corrective actions are implemented to strengthen controls, address root causes and improve compliance performance across the organisation.

During the reporting period, we did not record any instances of non-compliance with applicable laws and regulations nor paid any fines and penalties.

Industry recognition and awards

Awards

Year	Award	Award category	About award
2025	Company of the Year Award (COYA) by Kenya Institute of Management	Company of the Year (2025 Overall Winner)	KPC's Organizational Performance Index (OPI) score rose from 5.8 to 7.1 , signaling an excellent learning culture and evidence-based operational improvement. This award speaks to a company culture that values accountability and continuous improvement.
2025		ICT Innovation & Knowledge Management Award 2025	KPC demonstrated leadership in digital innovation through strong research and innovation frameworks, enterprise architecture deployment, cost-benefit analysis for technology projects, regular security and technology audits, and proactive ICT risk management. The company has taken a step toward establishing an AI policy further reflecting its readiness to embrace emerging technologies and drive future-focused transformation.
2025		Productivity & Quality Award 2025	Through ISO-based continuous improvement and digital process enhancement, KPC achieved a 10% uplift in process productivity and a 14% improvement in employee performance.
2020-2024	National Diversity and Inclusion Awards and Recognition (DIAR) Awards	Diversity, Inclusion & Sustainability category.	Four years in a row, KPC emerged the leading state corporation in enabling inclusion of persons with disabilities through the Inuka scholarship program.
2023	The County Government of Mombasa	The County Government of Mombasa	KPRL was awarded best Emergency Response and Fire Safety drill.
2018	Upstream Awards Gala	Training and Knowledge Category Award	MIOG won the Training and Knowledge category, a specialized segment that honors companies or institutions that deliver outstanding professional technical education, human capacity development, and workforce training specific to exploration and production operations.

Membership associations

We participate in several industry and professional associations that support collaboration, policy dialogue and the development of best practices within the energy and infrastructure

sectors. Through these memberships, we contribute to discussions on industry standards, governance practices and sustainable infrastructure development.

Our memberships include:

- East Africa Petroleum Transporters Association (EAPTA).
- Northern Corridor Transit Transport Coordination Authority (NCTTCA).
- Kenya National Chamber of Commerce and Industry (KNCCI).
- Consumers Federation of Kenya (COFEK).
- Institute of Certified Public Accountants of Kenya (ICPAK).
- Kenya Forest Service (KFS).
- Nairobi Securities Exchange (NSE).

Corporate Business Strategy

KPC PLC Strategic Plan (2025–2030)

The reporting year marked the final phase of implementing Vision 2025, KPC's long-term corporate strategy launched in 2015. The strategy focused on expanding pipeline capacity, strengthening operational systems and positioning KPC as a leading regional energy logistics company. During the strategy period, KPC achieved several important milestones, including:

- Expansion and modernisation of pipeline infrastructure.
- Strengthening of corporate governance and operational systems.
- Establishment of Morendat Institute of Oil and Gas (MIOG) as a sector training centre.
- Integration of Kenya Petroleum Refineries Limited (KPRL) as a wholly owned subsidiary.

Building on these achievements and progress achieved under Vision 2025, KPC adopted a new Strategic Plan covering the period 2025–2030. The five-year Corporate Strategic Plan (2025–2030) prioritises sustainability, innovation, infrastructure modernisation, and regional integration; and consists of four core pillars namely:

1. Operational excellence

To better serve customers, KPC is leveraging digitization, modern technology and new infrastructure to improve efficiency, reliability, and competitiveness across the pipeline network. We are proud of the progress made in the development of the Nairobi Bottom Loading Facility which, once completed, will enhance environmental sustainability, enhanced safety through minimal spillage of petroleum products and improved service delivery and product distribution turnaround time.

2. Diversification and growth

The strategic plan entails a commercially grounded diversification framework that aims to drive business sustainability by reducing revenue concentration risk, enhancing business resilience, and positioning KPC for a lower-carbon, digitally enabled future. Some of the new targeted business areas are: Bulk LPG Storage and handling, with facilities at Nairobi and Mombasa and Data and Communication sales through the Fibre Optic Cables.

3. Environmental, Social and Governance integration

As a key business priority, ESG principles will be integrated across all business functions, key infrastructure design, and projects. Some of the implemented ESG projects include a 225 kWp solar plant at the company's head office, installation of modern energy-efficient technologies, and use of dome-roof tank retrofits. Apart from reducing emissions, we have also realize

economic benefits from these systems. For instance, installing solar at the head office has lowered our energy costs by 60%. Other ESG highlights include clean transport via the Kisumu Oil Jetty, promotion of LPG for clean cooking, and extensive environmental, education, and health projects through KPC foundation.

4. People and organisational capability

Realizing the need for human capital, especially in technical niche areas, KPC is investing in developing capacity through talent development and training, particularly through the Morendat Institute of Oil and Gas (MIOG). As a regional centre of excellence in the Oil and Gas sector, MIOG offers specialized training, job linkage, research development, and consultation services such as in pipeline design. Internally,

These pillars guide the Company's efforts to strengthen infrastructure performance, expand service offerings, improve service delivery, and position KPC within the rapidly evolving regional energy landscape.

Managing our impacts, commitments and compliance

As a national operator of petroleum logistics infrastructure, we recognise that our activities can create both positive and negative impacts on people, the environment and the wider economy. We therefore integrate our corporate commitments, operational safeguards, and regulatory compliance into how we run our business. Through our governance structures, policies and management systems, we aim to manage risks responsibly, protect people and the environment and ensure that our operations are conducted in a safe, transparent and accountable manner.

i. Identifying hazards and addressing potential negative impacts

Because we transport and store large volumes of petroleum products through an interconnected national pipeline system, our operations carry inherent environmental, safety and operational risks if not carefully managed. The most significant potential impacts include pipeline leaks, spills or fires; contamination of soil, drainage systems and water bodies; injury or loss of life affecting employees, contractors or nearby communities; third-party interference and encroachment along the pipeline corridor; disruption of national fuel supply; and environmental, financial or reputational consequences arising from operational failures. These risks may increase where our pipeline infrastructure passes through densely populated areas, environmentally sensitive locations or regions experiencing rapid land-use change along the pipeline wayleave.

ii. Risk mapping and management

We monitor and manage potential risks through a combination of safety risk assessments, engineering reviews, environmental monitoring, operational inspections and routine

surveillance of our pipeline corridors and operational facilities. These processes help us determine where failures are most likely to occur, the nature and severity of potential consequences, the stakeholders or environments that could be affected, and the preventive controls required.

In addition, incident investigations, near-miss reporting, audit findings, stakeholder engagement processes and regulatory inspections provide further insight into operational vulnerabilities and emerging risk areas requiring corrective or preventive action.

iii. Prevention and mitigation measures

We prioritize prevention, protection and control throughout the lifecycle of our infrastructure and operations. The aim is to deter or minimize harm by reducing the likelihood and severity of incidents; through effective operational controls and a rapid and effective response should incidents occur. This approach is supported by our asset integrity management programmes, inspection and maintenance regimes, environmental monitoring systems, contractor management processes, emergency preparedness arrangements and operational control procedures designed to strengthen infrastructure reliability and environmental protection.

iv. Incident response and corrective action

Where incidents or operational concerns arise, we implement corrective and remedial measures to address both the immediate impact and the underlying cause. Depending on the nature of the incident, this may involve isolating sections of the pipeline, carrying out repairs, strengthening monitoring systems, implementing environmental clean-up measures, revising operational procedures or providing additional training for employees and contractors. Our emergency response procedures are designed to support rapid containment and coordinated responses with relevant authorities and emergency agencies, where required.

v. Learning and continuous improvement

Where incidents, grievances, ethical concerns or non-compliance issues arise, they are addressed through established reporting, investigation and corrective action processes designed to support accountability, transparency, remediation and continual improvement. We undertake internal reviews immediately after incidents or near-misses to identify root causes and evaluate the effectiveness of existing controls. Lessons learned from these reviews are incorporated into operational procedures, training programmes, maintenance planning and risk management systems to support continuous improvement in safety, operational integrity and environmental performance.

vi. Embedding our policy commitments in operations

Our policy commitments reflect our responsibility to protect the health and safety of employees, contractors, customers and surrounding communities, safeguard the environment,

uphold ethical business conduct and maintain reliable and resilient petroleum transportation and storage infrastructure. These commitments are embedded across our operations through governance oversight, operational controls, management systems, internal procedures and accountability mechanisms that guide decision-making across the organisation. Oversight of sustainability-related matters is provided by the Board of Directors and relevant management structures, while implementation is carried out through operational departments, depots, terminals, pipeline operations and support functions across the business.

Additionally, our policies are integrated into operational planning, infrastructure management, procurement activities, contractor management, workforce management and stakeholder engagement processes. Implementation is supported through operational procedures, permit-to-work systems, risk assessments, emergency preparedness arrangements, incident reporting and investigation processes, environmental monitoring activities, internal audits, corrective action mechanisms and compliance monitoring processes.

Key policies and frameworks guiding management of our most significant sustainability-related impacts and risks include:

Governance and ethics

- Code of Conduct and Ethics.
- Anti-Corruption Policy.
- Whistle-Blower Policy.

Risk management and operational resilience

- Enterprise Risk Management (ERM) Policy.
- Business Continuity Management Policy.
- Crisis Management Plan.
- Emergency preparedness and incident response procedures.

Health, safety and environmental management

- Integrated Management System (IMS) Policy.
- Occupational health and safety procedures.
- Environmental management and monitoring procedures.
- Incident reporting, investigation and corrective action procedures.
- Waste management procedures.

Operational and supply chain management

- Procurement and supplier management procedures.
- Pipeline integrity, inspection and preventive maintenance procedures.
- Operational risk assessment procedures.

- Right-of-way management and pipeline surveillance procedures.

We support implementation of these commitments through employee and contractor induction programmes, operational supervision, technical training, compliance monitoring, internal audits and continuous improvement initiatives aimed at strengthening operational reliability, environmental stewardship, workplace safety and ethical conduct across the organisation.

vii. Emerging and long-term risks

In addition to responding to incidents, we actively monitor and manage emerging risks that could result in future impacts if not adequately addressed. These include encroachment along pipeline corridors, unauthorised activities near infrastructure, ageing infrastructure, environmental vulnerabilities and changing land-use patterns around operational facilities.

Through a combination of technical safeguards, infrastructure maintenance, stakeholder engagement and regulatory coordination, we seek to proactively manage these risks and strengthen long-term operational resilience.

viii. Stakeholder feedback and knowledge sharing

We maintain mechanisms that enable employees, contractors and external stakeholders to raise concerns or seek advice regarding operational practices, ethical conduct or potential misconduct. These mechanisms include internal reporting channels, grievance procedures, customer complaint systems and confidential reporting arrangements established under our Whistle-Blower Policy and Code of Conduct and Ethics.

Our employees are encouraged to report concerns through management channels or designated reporting mechanisms. Customers and members of the public may submit enquiries, complaints or feedback through our customer service channels and formal complaint procedures. We record, assess and investigate issues raised through these mechanisms in accordance with established procedures, and escalation pathways are available to ensure that concerns are addressed objectively and transparently.

Risk Management

Risk management is an integral component of our governance framework and decision-making processes. As the operator of critical national petroleum logistics infrastructure, we recognise that disruptions to our operations could affect national fuel supply, public safety, environmental protection and economic activity. We therefore apply structured risk management processes to identify potential threats early, assess their likelihood and impact, and implement appropriate mitigation measures.

Our approach is guided by our Enterprise Risk Management (ERM) Framework, which provides a systematic process for identifying, assessing, monitoring and managing risks across the organisation. The framework integrates risk management into strategic planning, operational management, capital investment decisions and financial oversight, ensuring that risks are managed consistently across departments and facilities.

Oversight of enterprise risk management rests with the Board of Directors, which is responsible for ensuring that appropriate internal controls and risk management systems are in place. The Board is supported by the Board Finance Committee, which reviews the Company's principal financial, operational and strategic risks and monitors the effectiveness of mitigation measures. Management teams across the organisation are responsible for identifying and managing risks within their areas of responsibility and reporting them through established governance structures.

Through the ERM framework, we maintain a corporate risk register that documents the principal risks facing the organisation, assesses their likelihood and potential impact, and identifies mitigation measures and responsible management functions. Risks are reviewed periodically to reflect evolving operational conditions, regulatory developments and market dynamics.

Principal risks and mitigation measures

Operational and infrastructure risks

Our core operations depend on the safe and reliable functioning of our national pipeline network, pumping stations, storage terminals and control systems. Infrastructure failures, equipment malfunctions, operational errors, or ageing assets could lead to pipeline leaks, supply disruptions, or operational downtime.

To mitigate these risks, we maintain comprehensive asset integrity and maintenance programmes, including pipeline inspection regimes, preventive maintenance schedules, corrosion monitoring, engineering assessments and operational monitoring systems. Control room supervision and operational procedures enable early detection of anomalies and rapid response to operational challenges.

Environmental health and safety risks

The transportation and storage of petroleum products involve inherent environmental and occupational safety risks. Potential impacts include fuel spills, fires, soil and water contamination and injuries to employees, contractors or nearby communities.

We manage these risks through structured health, safety and environmental management systems, which incorporate safety risk assessments, environmental monitoring, operational controls and emergency preparedness procedures. These systems are supported by staff training, regulatory compliance programmes and continuous improvement initiatives aimed at strengthening our safety culture.

Security and pipeline corridor risks

Pipeline infrastructure may be exposed to risks arising from vandalism, illegal connections, encroachment along pipeline corridors and unauthorised activities near pipeline infrastructure. These activities can compromise pipeline integrity and create safety hazards.

To mitigate these risks, we conduct surveillance and monitoring along the pipeline corridor, collaborate with national and local security agencies and engage communities located near pipeline infrastructure. Community awareness initiatives help educate stakeholders about the importance of protecting critical infrastructure and reporting suspicious activities.

Cybersecurity and information systems risks

Our operations rely on digital technologies and control systems to monitor and manage the movement of petroleum products across the pipeline network. These include operational monitoring platforms, SCADA systems, financial systems and corporate information technology infrastructure.

We are therefore exposed to cybersecurity risks, including unauthorised access to systems, cyberattacks, data breaches, and disruptions to digital platforms that support operational monitoring and business processes.

To address these risks, we implement network security controls, system access protocols, data protection measures and system monitoring mechanisms designed to protect operational and corporate systems. We also maintain business continuity and disaster recovery arrangements to support the rapid restoration of critical systems in the event of disruption.

Financial and economic risks

As a capital-intensive state corporation, we face financial risks associated with revenue performance, capital investment requirements, cost pressures and broader macroeconomic conditions. These include exposure to inflation, foreign exchange fluctuations and liquidity management risks that may influence operational costs and financial performance.

We manage these risks through prudent financial planning, internal financial controls, budgetary oversight and regular financial reporting. Oversight by the Board and its committees,

supported by internal audit functions, provides additional assurance that financial risks are identified and managed effectively.

Regulatory and compliance risks

Our operations are subject to a wide range of regulatory requirements governing petroleum infrastructure, environmental protection, occupational health and safety and public sector governance. Changes in regulatory frameworks, tariff structures or compliance obligations could influence operational costs and business performance.

To manage these risks, we maintain compliance registers and monitoring systems to ensure that licences, permits and statutory obligations are met. We maintain regular engagement with regulatory institutions such as the Energy and Petroleum Regulatory Authority (EPRA), the National Environment Management Authority (NEMA) and the Directorate of Occupational Safety and Health Services (DOSHS).

Strategic and sector transition risks

The energy sector is evolving in response to climate change, technological innovation and shifting energy demand patterns. These developments may influence the long-term demand for petroleum logistics infrastructure and require adjustments in business strategy and investment priorities.

We address these risks through our corporate strategic planning processes, which seek to enhance operational efficiency, expand infrastructure capacity and support diversification initiatives that strengthen long-term sustainability and resilience.

Our risk management approach entails:

a. Prevention

Our approach to risk management is deliberate, structured, and precautionary. We prioritize prevention in how we plan, operate, and make decisions, and equally prepare for effective response in case of an emergency.

To achieve this, we aim to understand risks clearly, set up strong controls to manage risk within approved limits, and respond decisively when conditions change. We strengthen prevention controls through segregation of duties, clear approval frameworks, procurement governance, contract management, audit processes, and oversight by management and the Board. The idea is to reduce opportunities for misconduct and strengthen trust in our decisions.

b. Three lines of defence model

Risk management at KPC follows the **three lines of defence** model ensuring clear demarcation of roles and an effective escalation matrix. The three lines include:

- **First line:** Business and process owners (including department managers) are responsible for identifying and managing risks in their areas of operation. They implement controls, monitor performance, and report on emerging issues.

- **Second line:** The Risk Management function and the **Risk Management Committee (RMC)** coordinate the ERM programme, provide guidance, consolidate risk reporting, and ensure consistent application of the framework across the organisation.
- **Third line:** Internal Audit provides independent assurance on the effectiveness of risk management and internal controls, reporting its findings to the Board.

This structure ensures that risk ownership is clear, controls are applied where risks arise, and independent oversight strengthens accountability.

c. Continuous monitoring and improvement

Risks are monitored through management reporting, internal audits, operational inspections and Board oversight. Where new risks emerge or existing risks change in severity, mitigation measures are reviewed and strengthened accordingly. We review and update our ERM framework periodically to reflect changes in our operating environment, strategic objectives, regulatory requirements, and industry good practice. This ensures that our approach to risk management remains relevant, robust and aligned with KPC's long-term sustainability and resilience goals.

Risk monitoring and reporting is also embedded in our management cycle and risk reports are prepared regularly, escalated through management and the Risk Management Committee, and reported to the Board. Risk reports (and accompanying risk registers) cover principal risks, emerging risks, mitigation effectiveness, and areas requiring management attention.

We identify risks through multiple channels, including strategic planning processes, operational reviews, incident and near-miss reporting, audits, stakeholder feedback, regulatory engagement, and environmental scanning. Risks are assessed from gross risk (before controls) to residual risk (after controls), considering both the likelihood of occurrence and the magnitude of impact should the risk materialise.

Additionally, we use Key Risk Indicators (KRIs) to provide early warning signals of increasing risk exposure. KRIs help management track trends and trigger action before risks escalate. Where risk levels approach or exceed tolerance limits, escalation procedures are activated to ensure timely management and Board attention.

This approach allows us to respond to emerging issues, such as operational disruptions, regulatory changes, security threats, climate-related events, or technology risks, before they escalate into incidents or losses. Through continuous management improvement, we seek to strengthen organisational resilience, safeguard energy infrastructure and ensure that our operations continue to support the region's energy security and economic development in a safe, responsible and sustainable manner.

Our Leadership

The Board of Directors and Executive Management Team provide strategic oversight and operational leadership to KPC. The Board guides the company's long-term direction, oversees governance, and ensures accountability in delivering the company's mandate. Executive Management is responsible for implementing the strategy approved by the Board and overseeing the safe, reliable, and efficient operation of the company's petroleum transportation and storage infrastructure.

Together, the leadership team brings expertise in public policy, finance, engineering, legal affairs, supply chain management, strategy, and organisational leadership. This combination of competencies supports KPC's role in safeguarding Kenya's petroleum supply chain while advancing operational excellence and long-term value creation.

Board of Directors

Faith J. Boinett

Role on Board: Chairperson of the Board

Independence status: Independent

Appointed to the Board: 23/12/2025

Faith J. Boinett is an Advocate of the High Court of Kenya with more than two decades of professional experience in legal practice, corporate governance, and regulatory compliance. She is the Managing Partner at Boinett & Bett Co. Advocates, where she advises public institutions and private organisations on legal governance, dispute resolution, and regulatory matters.

She has served on several boards of public institutions and state corporations, providing expertise in institutional oversight and policy governance. Her experience includes advising on public financial management, labour relations, and corporate compliance. As Chairperson, she provides strategic leadership to the Board and oversees the governance framework supporting the company's mandate to deliver safe and efficient petroleum transportation services.

Professional competencies: Corporate governance, Legal and regulatory compliance, public sector administration, Institutional oversight.

Other significant positions and commitments: Managing Partner, Boinett & Bett Co. Advocates, member of FIDA, and a champion of women's rights and the disadvantaged.

Stephen Pius Mwendwa

Role on the board: Acting Managing Director
Independence status: Non-independent
Appointed to the Board: 08/04/2026

Mr. Pius Stephen Mwendwa was appointed Acting Managing Director of Kenya Pipeline Company PLC in April 2026. He brings a strong passion for sound systems and processes and is a firm believer in going beyond finance to drive the overall performance of the organization. Prior to his appointment, Mr. Mwendwa served as the General Manager (Finance), where he oversaw Finance & Accounts, Revenue & Commercial Services, and Information, Communications and Technology (ICT) functions. He joined Kenya Pipeline Company in August 2010 as Chief Accountant and has also served as Corporate Finance Manager. Before joining KPC, he worked at Nation Media Group (NMG) for over ten (10) years in various capacities, rising to the position of Group Management Accountant. Mr. Mwendwa holds a Master of Commerce and a Bachelor of Commerce (Finance). He is a Certified Public Accountant of Kenya (CPA-K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

Joyce Emanikor

Role on Board: Non-Executive Director
Independence status: Independent
Appointed to the Board: 18/08/2023

Board committee memberships: Board Finance Committee and Ad-hoc Committee.

Joyce Emanikor joined the Board in August 2023 and supports the Board in shaping the company's strategic direction and overseeing governance. She contributes to discussions on corporate performance, operational efficiency, and the management of strategic risks affecting the company's operations.

Through her role on the Board, she reviews organisational policies and ensures the company maintains high standards of governance and accountability.

Professional competencies relevant to KPC: Governance, Public Policy and Environment.

Other significant positions and commitments: Member of Parliament (2013–2022) and recipient of the Head of State Commendation (HSC) for her contributions to development in Turkana.

Irene Wachira

Role on Board: Non-Executive Director
Independence status: Independent
Appointed to the Board: 18/08/2023

Board committee memberships: Board Audit Committee and Board Ad-hoc Committee.

Irene Wachira joined the Board in August 2023 and contributes to the company's governance and strategic oversight. Her role includes supporting the Board in guiding the company's strategic direction, strengthening governance practices, and ensuring accountability in operational performance.

She participates in Board deliberations on corporate strategy, risk management, and organisational performance while supporting the company's mandate to maintain reliable petroleum logistics infrastructure. Her professional background contributes to the diversity of expertise represented on the Board.

Professional competencies relevant to KPC: Corporate leadership, Governance, Finance, Risk and Stakeholder Engagement.

Other significant positions and commitments: Non-Executive Director at Grid Capital.

Mutungwa Wambua

Role on Board: Non-Executive Director

Independence status: Independent

Appointed to the Board: 18/08/2023

Board committee memberships: Board Human Resource Committee and Board Finance Committee.

Mutungwa Wambua is a human resource and technology professional with experience across the public and private sectors. His career includes leadership roles in information technology services, organisational management, and enterprise systems development.

He currently serves as Director of Techno Sphere Solutions and Chief Executive Officer of Wavenet Systems Ltd. Through these roles, he has developed expertise in digital systems, organisational management, and human capital development. His professional background contributes to the Board's oversight of organisational capability and operational efficiency.

Professional competencies relevant to KPC: Human resource management, Information technology systems, Business management.

Other significant positions and commitments: Director, Techno Sphere Solutions; Chief Executive Officer, Wavenet Systems Ltd.

Hon. Christopher Odhiambo Karani

Role on Board: Non-Executive Director
Independence status: Independent
Appointed to the Board: 23/05/2025

Board committee memberships: Board Ad-hoc Committee

Christopher Odhiambo Karani is a business executive and former Member of Parliament for Ugenya Constituency with more than two decades of experience in business leadership, logistics operations, and public service. His career spans both the private and public sectors, with experience in infrastructure development and commercial operations.

He currently serves as Managing Director of MNET Stars Limited and previously served as Managing Director of Awanad Container Freight Station, where he oversaw logistics operations and stakeholder engagement with regulatory agencies, including the Kenya Ports Authority and Kenya Revenue Authority.

Professional competencies relevant to KPC: Logistics and supply chain management, Business leadership, and Infrastructure operations.

Other significant positions and commitments: Managing Director and MNET Stars Limited.

Martha Miano

Role on Board: Non-Executive Director
Independence status: Independent
Appointed to the Board: 07/03/2025

Board committee memberships: Board Audit Committee and Board Human Resource Committee.

Martha Miano is a communications and public affairs professional with more than 15 years of experience in strategic communications, media relations, and stakeholder engagement. Her career has focused on public communication and policy advocacy within government and national institutions.

She previously served as Deputy Director of Public Communications in the Office of the President of Kenya, where she led digital communication strategies and supported public engagement initiatives. Her experience strengthens the Board's perspective on stakeholder communication and institutional reputation management.

Professional competencies relevant to KPC: Strategic communications, Stakeholder engagement, and public affairs.

Other significant positions and commitments: A respected youth mobilizer and civic advocate.

Executive Management

Stephen Pius Mwendwa – Ag. Managing Director and General Manager (Finance & Revenue)

Stephen Mwendwa is a long-serving member of the company's management team and was appointed as the company acting Managing Director in April 2026.

Stephen also oversees the company's finance function, including financial planning, treasury management, budgeting, and financial reporting. He supports senior management and the Board by providing financial analysis and oversight of the company's financial performance.

Professional competencies: Financial management, corporate accounting and financial governance.

Zilper Michelle Abong'o - General Manager (Commercial Services)

Zilper Michelle Abong'o leads revenue growth, business strategy, customer service, market expansion, and performance management at KPC. Her role includes coordinating strategic planning processes, monitoring organisational performance, and supporting the development of initiatives that strengthen the company's long-term competitiveness.

Professional competencies: Strategic planning, Energy economics, Policy analysis.

Flora Okoth - General Manager (Legal Services & Company Secretary)

Flora Okoth oversees legal services, corporate governance, and regulatory compliance across the organisation, providing legal counsel to the Board and senior management.

Professional competencies: Corporate governance, Legal advisory, Regulatory compliance.

Dinah J. Kirwa - General Manager (Human Resource & Administration)

Dinah Kirwa oversees human capital management and administrative services at the company. Her responsibilities include workforce planning, employee engagement, and organisational development to strengthen institutional capacity and performance.

Professional competencies: Human resource management, Organisational development, Talent management.

Dr. Nancy Kosgei - Director, Morendat Institute of Oil and Gas

Dr. Nancy Kosgei leads the Morendat Institute of Oil and Gas, the company's training and capacity-building institution supporting professional development in the petroleum sector.

Professional competencies: Education and training management, Capacity building, Institutional leadership.

Eng. David Muriuki - General Manager (Infrastructure development)

Eng. David Muriuki oversees infrastructure development projects, including pipeline expansion, storage facilities, and other strategic engineering investments that support the company's growth and operational resilience.

Professional competencies: Engineering project management, Infrastructure development, Strategic infrastructure planning.

SECTION 4: CORPORATE GOVERNANCE AND ETHICAL BUSINESS PRINCIPLES

Governance Structures

Since inception, strong governance has been a fundamental component in safeguarding our infrastructure, delivering on our mandate, and maintaining public trust. On this basis, we are keen on the ongoing restructuring within the company as it is critical our journey going forward. To this we have made a number of changes internally including: the revision of internal policies, board reconstitution, and transitioning of regulatory frameworks.

KPC PLC's governance arrangements are shaped by statutory laws and market regulations such as Nairobi Securities Exchange (NSE) guidelines, Capital Markets Authority's (CMA) Code of Corporate Governance Practices (2016), The Employment and Labor Relations Act, 2007. Together, these frameworks now guide our Board constitution, human resource management, financial performance disclosures, and tax obligations. The shape how authority is exercised, oversight performed, and accountability maintained across the organisation.

The Board

As the Company's highest governance body, the board is responsible for providing strategic direction, oversight, and accountability in line with our public mandate. It oversees the implementation of strategic plans, major policies, budgets, business plans and enterprise-wide controls, while Management is responsible for day-to-day execution. In discharging this responsibility, the Board seeks to add value through constructive engagement with Management and stakeholders, with a strong focus on long-term performance, transparency and stewardship. In this section, we will discuss the composition of our Board of Directors, the appointment and removal processes, tenure and remuneration guidelines, and board committees.

As of 30 June 2026, the Board comprised seven (7) members, including one (1) Executive Director and six (6) Non-Executive Directors, including alternates. The Board is chaired by an independent Non-Executive Chairperson who provides leadership to the Board, facilitates effective deliberation and ensures that governance practices support the Company's strategic objectives and oversight responsibilities. The Managing Director on the other hand serves as the sole Executive Director. This separation of roles supports independent oversight and provides a clear distinction between governance and management responsibilities.

The Board's composition reflects a broad mix of professional experience and competencies relevant to KPC's mandate. These include corporate governance, strategy, finance, engineering, legal and regulatory compliance, public policy, human resource management, logistics,

communications, sustainability, risk oversight and community development. The Board also complies with the constitutional requirement on gender balance and, as at year-end, comprises four women and three men.

Board composition and diversity

As at 30th June 2026, we had 7 board members after three (3) members left. The board of Directors remains diverse in terms of gender (57% women and 43% men) and age (57% of the Directors being between 35 and 50 years old). All Directors have been hired from local communities within Kenya.

Category	Unit	
	Number	%
Executive vs Non-exective		
Executive Directors	1	14%
Non-Executive Directors (Independent)	6	86%
Gender diversity		
Female members	4	57%
Male members	3	43%
Age diversity		
30-50	4	57%
Over 50	3	43%

Board appointment, tenure and cessation

Before April 2026, board appointments were undertaken through a structured process governed by the Mwongozo Code that is mandatory to all government owned entities, and the company board charter. The process was intended to ensure that the Board collectively has the diversity, independence and competencies required to discharge its responsibilities effectively.

Appointments notices were published by name through the Kenya Gazette and appointed members required to accept their appointment in writing. Board members would ordinarily serve for a term of three years and a maximum of two terms, subject to performance evaluation and applicable legal provisions. Board members would cease to hold office through resignation in writing or through revocation by the appointing authority, in accordance with applicable laws and governance provisions.

Following the revocation of declaration of Kenya Pipeline Company as a National Government Entity through Special Issue, Kenya Gazette Supplement No. 105 (Legislative Supplement No. 66) LEGAL NOTICE NO. 72 of 2026, KPC's board structure has been undergoing necessary restructuring within the top governing body to align to the new legislative requirement without risking the company's profitability, continuity, and sustainability. During the reporting period, the Board underwent changes through appointments and cessations as follows

- Faith Bett-Boinett was reappointed as the board chair in December 2025
- Sharon Irungu-Asiyo (Alternate director to the Attorney General), Birk Mohamed (Alternate Director to the PS -Petroleum and Mining), and Joe Sang (former Managing Director) ceased office.

The company's new Board of Directors is expected to be announced during an Annual General Meeting (AGM) later this year (2026). The onboarding process for new Directors is ongoing with several institutional stakeholders having already submitted their nominations.

Board appointments, tenure and succession planning are overseen by the Board nomination and remuneration committee (led by Director Mutungwa Wambua), with support from the Board Human Resources Committee on relevant succession, skills and governance matters.

Independence of the Board chairperson

The Chairperson of the Board is a non-executive independent Director and does not hold an executive management role. She provides leadership to the Board, facilitates effective deliberation and ensures that governance practices support the Company's strategic objectives and oversight responsibilities.

Board skills and competency matrix

Board appointments are strategic and guided by a board skills matrix which is an essential tool that maps required director competencies against organizational goals. This ensures diversity in skills and competencies within the Board, consequently driving better decision-making and problem solving. Currently, majority of the board members have experience in corporate governance, strategic management, finance, HR, and public policy. Conversely, competencies such as ESG, Supply Chain management, security, and public health lag behind with only one board member having each competency (table 3).

Table 3 Skill sand competencies within the board

Key competency theme	Description (grouped skills)	Number with competency
Corporate Governance & Leadership	Corporate governance, board oversight, public sector leadership, accountability	7
Strategy & Strategic Management	Corporate strategy, planning, transformation, and change management	6
Financial Management & Oversight	Financial strategy, public finance, financial planning, investment oversight	5
Stakeholder Engagement & Communication	Stakeholder relations, partnerships, advocacy, communications	5
Human Resource & Organisational Leadership	HR management, leadership development, organisational leadership	5

Key competency theme	Description (grouped skills)	Number with competency
Public Policy & Administration	Policy development, legislative oversight, and public administration	5
Legal, Regulatory & Compliance	Legal advisory, regulatory compliance, corporate law	3
Operations & Logistics	Commercial operations, logistics, performance management	3
Risk Management	Enterprise risk, safety oversight, and crisis preparedness	2
Digital & IT Systems	IT systems, digital engagement, technology integration	2
Community Development & Social Impact	Community engagement, human development, social programmes	2
Sustainability & Environmental Governance	Environmental management, ESG, sustainability leadership	1
Security & Conflict Management	National security, peacebuilding, crisis/conflict resolution	1
Procurement & Supply Chain Governance	Public procurement advisory, supply chain oversight	1
Public Health	Public health systems and oversight	1

In May 2026, the board skill matrix was refurbished to align it with new legislative requirements and position the company for a regional competitive advantage. The new skills matrix highlights mandatory skills that every Board Director must have (Category A) and additional skills that will complement and enrich the board. Several ESG competencies feature in category B skills including:

- Environmental and land law –to accelerate leveraging of additional land acquired through KPRL and manage environmental risks from pipeline operations.
- Asset integrity, maintenance and sustainability – to oversee Pipeline Infrastructure Sustainability Enhancement Plan to ensure reliable product supply in Kenya and across the region.
- Health, safety and environmental management – to manage safety risks among employees and communities.
- ESG Strategy and Reporting – to meet ESG expectations from investors and regulators regarding sustainability performance and integrated reporting.
- Talent management and workforce planning – to improve workforce strategy, continuity planning and leadership succession.

We believe that a rich diversity of competencies is required to navigate rapid market changes, technological disruptions, and evolving risk landscapes in the energy and petroleum sectors.

Board induction and continuous development

To support effective governance, newly appointed Directors receive a structured induction programme within one month of appointment. This includes availing of key corporate documents, including the Board Charter, through Board documentation systems, in-person to Company's operation sites to gain a broader operational perspective on the business, and detailed presentations by Management on the Company's strategy, financial performance, vision, mission, values, regulatory framework and operational footprint.

In addition to induction, the Company prepares an annual Board training calendar based on identified development needs. Directors participate in selected workshops, conferences and governance programmes to strengthen their ability to provide informed oversight.

This approach supports the Board's collective knowledge in areas relevant to KPC's operations, strategic direction, and sustainability-related risks and opportunities.

Integrity safeguards: Managing conflict of interest and critical concerns

KPC PLC maintains governance mechanisms to raise and address critical concerns and manage conflicts of interest. These include the Code of Conduct, Conflict of interest policy, whistleblowing and anti-corruption processes, and internal escalation mechanisms through management, internal audit and Board committee structures.

The Company maintains a conflict-of-interest register that is tabled at every Board meeting and Directors are required to declare any conflicts before substantive discussion of agenda items. A director with a conflict is not permitted to participate in discussions or decision-making on the affected matter.

For the reporting period under review, no conflict was declared and recorded in the register.

Board performance evaluation

In line with best practice, the Board undertakes an annual evaluation that was previously supported by the State Corporations Advisory Committee (SCAC). The evaluation takes a 360-degree approach under which members assess the performance of the Board as a whole, the Chairperson, individual Directors, the Managing Director, the Company Secretary and the Internal Auditor. The process is intended to identify strengths, collective skill gaps and individual development needs, and to support continuous improvement in governance effectiveness.

The last Board evaluation was carried out in October 2025, and a summary of the key findings and follow-up actions may be disclosed once approved for publication.

Board Remuneration

Remuneration for Directors and senior management is guided by a formal remuneration policy overseen by the Board's Human Resources Committee. The company's remuneration policy aligns compensation with responsibilities, performance outcomes, public-sector regulatory frameworks, and, where appropriate, benchmarking against comparable roles. Further, as a government owned parastatal, remuneration was also guided by instruments issued by the Salaries and Remuneration Commission (SRC), the State Corporations Advisory Committee (SCAC) and other relevant authorities.

Board members were remunerated for their services in line with approved rates, with a requirement that no Director participates in decisions concerning their own remuneration. Executive Directors do not receive additional Board pay outside the terms of their service or employment contracts. Previously, the Directors' annual fees were only paid upon shareholder approval at the Annual General Meeting and after approval by the Cabinet Secretary responsible for the National Treasury.

Before our transition to a PLC, our remuneration framework consisted on a monthly taxable honorarium and communication allowance for the chairperson, and sitting allowance, accommodation allowance, and lunch allowance for all board directors in official duty. We also cater for expenses in terms of training fees and facilitation of board retreats and conferences. Table 4 shows the company's expenditure on Directors' remuneration and Board activities facilitation. The company remuneration policy is currently under review to reflect structural and legislative changes.

Below is a summary of the total company expenditure on director's fees and allowances, as well as activity facilitation (table 4).

Table 4 Expenditure on Directors' remuneration and activity facilitation

Expense category	2023/24 KES	2024/25 KES	2025/26 KES
Directors' fees	3,495,785	11,580,000	7,430,323
Sitting and duty allowance	26,841,013	25,422,714	20,478,125
Board Retreats and general expenses	3,720,960	2,551,879	2,761,282
Travel expenses and Subsistence allowance	16,228,045	14,535,561	9,025,782
Training expenses	2,866,996	931,000	4,697,911
Total	53,172,799	55,021,154	44,393,422

For enhanced transparency, the Company may disclose the ratio of the total annual compensation of the highest-paid individual to the median annual total compensation of all employees once internal validation and approval for publication are completed.

Board committees and delegated oversight

To enhance efficiency and ensure more rigorous review of specialised matters, the Board operates through committee structures with defined terms of reference. These committees enable deeper oversight of matters central to KPC's long-term performance, including internal control, financial stewardship, technical operations, risk management, people management, and governance assurance.

As of 30 June 2026, the Board had four standing committees: the Board Audit Committee, the Board Finance Committee, the Board Human Resources Committee, and the Board Technical Committee. In addition, the Board had previously constituted an Ad Hoc Committee to oversee completed projects, the KPRL master plan, and the optimisation of KPC assets. For sustainability reporting purposes, the standing committees are the principal Board committees in operation during the reporting period.

Board Audit Committee (BAC)

The Board Audit Committee supports the Board in maintaining effective systems, processes and internal controls and in overseeing the integrity of financial reporting and assurance arrangements. The Committee oversees the internal audit function in a process independent of Management. It assures the Board on matters relating to values and ethics, governance structure, risk management, internal control, public accountability reporting and liaison with the external auditor and other assurance providers.

Director Irene Wachira leads the BAC, working together with Director Martha Miano. Critical competencies in the BAC include financial strategy and investment leadership, legal and regulatory advisory services, public sector reform, governance oversight, and strategic analysis.

Board Finance Committee (BFC)

The Board Finance Committee supports the Board in overseeing financial resources and enterprise risk management. Its mandate includes reviewing budget planning and implementation, financial performance, cash flow management, debt service, and financial strategy, including capital management and asset-liability matters. This Committee provides an important link between strategic ambitions and financial sustainability.

Director Hon. Joyce Emanikor, HSC leads the BFC alongside Directors Mutungwa Wambua and Pius Mwendwa. Critical committee competencies include financial analysis, public policy and governance, strategic management, oversight of business operations, organisational transformation, and executive leadership.

Board Human Resources Committee (BHRC)

The Board Human Resources Committee oversees human resource governance and organisational capability matters. It reviews and makes recommendations on organisational structure, recruitment and selection procedures, internal promotion protocols, reward systems, and terms and conditions of service. It also supports the Board in considering the human capital strategies necessary to deliver the Company's strategic priorities.

Director Mutungwa Wambua (Chairperson) leads this committee, alongside Directors Martha Miano and Pius Mwendwa. The Committee's expertise spans human resource leadership, strategic management, communications, public administration, executive leadership and institutional strengthening.

Board Technical Committee (BTC)

The Board Technical Committee assists the Board in fulfilling its oversight responsibilities on technical matters relating to petroleum transportation and storage infrastructure. It oversees and advises on pipeline and storage capacity development, expansion opportunities, project development, technical risk appraisal and operational reliability.

Director Hon. Christopher Odhiambo Karani chairs this committee alongside the managing director Pius Mwendwa. Directors Mohamed Birik Mohamed, OGW, EBS and Sharon Irungu-Asiyo, HSC served in the BTC until their cessation in April 2026. The Committee's competencies include logistics and port operations, public-sector governance, legal and regulatory oversight, executive leadership, crisis management, and infrastructure-related oversight.

Executive Management Team

Our daily operations are managed by the Executive Management Team led by the Managing Director who is accountable to the Board for operational performance and the implementation of the CSP. Through the MD, they report to the Board periodically on operational performance and risk exposure, environmental, health, and safety performance, compliance matters and regulatory development, stakeholder engagement outcomes and community impacts. This enables the Board to provide strategic direction and ensure that sustainability risks and opportunities are effectively managed.

As at June 2026, the executive management team comprises of two (2) men and four (4) women with a diversity of age groups presented in the team as follows: two managers are below 50 years old while four are above 50 years old. All executive managers have been hired from local communities within Kenya.

Key functional areas are led by an executive function that is accountable for identifying, managing, and reporting on risks and impacts within their scope of responsibility. These include:

- Finance and commercial operations

- Infrastructure development and operations
- Human resources and administration
- Supply chain management
- Legal services and corporate governance
- Safety, health, environment, and sustainability

During the reporting period, we've had four (4) executive team members leave office, leaving six (6) officials in the company. The four who left include

- Joe Sang – former Managing Director
- Eng. Derek Okova - former General Manager, Pipeline Operations & Maintenance
- Maureen Mwenje - former General Manager, Supply Chain
- Catherine Kaloki - former General Manager, Internal Audit

Through taskforces and committees, cross-functional collaboration is used to address material sustainability issues such as operational safety, environmental protection, regulatory compliance, workforce wellbeing, and stakeholder engagement. Performance against strategic and sustainability objectives is monitored through internal reporting systems and reviewed regularly by senior management and the Board.

Communication of critical concerns

Critical concerns to the business are communicated to the board of directors through well-defined escalation channels in a clear and timely manner. The various channels of communicating critical concerns at KPC PLC include:

- Inclusion of the managing director in the board allows provision of consistent direct operational insights to ensure that board strategies are practical and relevant to internal stakeholders.
- Whistleblowing: whistleblower reports are shared with the board for guidance on verification and investigation of concerns. The board may choose an ad-hoc committee to investigate the matter or refer the matter to the ethics and anticorruption commission.
- Specialized Committee reports: committees that review legal, financial, and compliance issues, e.g. audit and risk committees, provide quarterly reports to the board to share progress, challenges and proposed plans of action on various topics. The committees may be invited to present during board meetings or retreat for in-depth discussion of critical concerns depending on the sensitivity and urgency of issues.

An annual board retreat is specifically designed to discuss corporate strategy and assess progress. Some of the highlights from the board retreat held in July 2025 include

- Emphasis on the global trend towards renewable energy solutions

- The susceptibility of the petroleum industry to macro-economic factors such as global supply chain disruptions, automation and machine learning, reduction of foreign aid in Africa as well as regional & global conflicts.
- Frequent stock shortage in Western Kenya depots.
- Pipeline network expansion into Eastern African region.
- KPC Vision 2025 and Refocused Strategic Plan (RSP) review.
- Safety audits.
- Subsidiary master plans (KPRL and MIOG).
- Funding requirements and financial targets.

Governance audits

Annually, a governance audit is conducted by an accredited governance auditor to assess KPC's governance practices based on the following minimum parameters:

- a. Ethical leadership and strategic Management
- b. Transparency and Disclosure
- c. Compliance with Laws and Regulations
- d. Communication with Stakeholders
- e. Board Independence and governance
- f. Board Systems and procedures
- g. Consistent shareholder and shareholders' value enhancement
- h. Corporate social responsibility

Findings from governance audits are presented to the board and action plans designed based on recommendations made in the audit report.

The last governance audit was done in October 2025 and a summary of the findings will be utilized in strengthening ethical leadership, governance discipline and continuous improvement within the company's oversight systems going forward.

Governance and oversight of sustainability and ESG

The Board oversees the Company's most significant economic, environmental and social impacts through its review of company strategy, risk management systems, financial performance, technical operations and regulatory compliance. This oversight includes monitoring matters such as infrastructure and asset integrity, safety and environmental compliance, enterprise risk, public accountability and stakeholder trust.

In addition, the Board retains overall responsibility for overseeing the integration of sustainability into the overall Corporate Strategic Plan and operational performance. It provides leadership through;

- Approval of the strategic plans, policies, and performance targets;

- Review of material sustainability risks and opportunities;
- Monitoring of compliance with legal, regulatory, and ethical obligations; and
- Oversight of health, safety, environmental protection, and stakeholder relations through the management.

The Board also oversees the preparation and integrity of sustainability-related disclosures by reviewing strategic and risk-related information relevant to the Company's long-term performance and accountability.

On the other hand, the responsibility for day-to-day management of these impacts is delegated to the Managing Director and the executive management team, with the support of diverse departments and functions. The management helps integrate sustainability considerations into strategic decisions and daily operations through risk assessments, compliance requirements, project design, standard operating procedures, audits and management reviews. For example, expansion and upgrade projects are expected to meet environmental licensing requirements and implement environmental and social management measures agreed on after an Environmental and Social Impacts Assessment (ESIA).

Management regularly reports to the Board and its committees on performance, risks, compliance, major projects, and other material matters requiring governance oversight.

How KPC PLC's top leadership promotes sustainability within the organization:

1. Corporate oversight and strategy

Sustainability issues are overseen through governance and management processes that connect safety, environmental stewardship, integrity, and service delivery. Our Board and management consider risks and opportunities that affect KPC's ability to deliver reliable services, protect people, and safeguard the environment.

Sustainability and ESG considerations are embedded within our governance framework and are addressed through regular board deliberations, performance reviews, committee oversight, and governance audits.

We are committed to prioritize inclusion of an ESG expert within the board, alongside specializations across governance, finance, legal compliance, infrastructure development, sustainability, public sector leadership, and stakeholder engagement.

Further, to build collective knowledge and skills within the board, we have invested in frequent education forums on sustainability. In 2025, the board committed to train and certify 15 KPC staff on sustainability monitoring and reporting. We also conducted a sustainability sensitization and training forum for the board, management and select team leaders.

2. Delegation and accountability

Operational responsibility for managing impacts is delegated through our management structure, with clear accountability to leaders of functions and departments such as Operations,

Safety, Health & Environment, Security, Supply Chain Management, Finance, and Internal Audit etc. This ensures that sustainability is managed within the business and integrated across all business facets.

3. Corporate Social Investments (CSI)

To advance sustainability outside the company through corporate social investment (CSI) projects, KPC Foundation was established in 2016. This charitable trust was conceptualized as a vehicle to fulfil CSI as a priority in the KPC vision 2025. The Foundation is spearheaded by a Board of Trustees (Chaired by KPC Ag. Managing Director, Pius Mwendwa), and champions projects within five key pillars: Education, Health, Water and Sanitation, Sports for Development, and Environmental Conservation.

4. Sustainability reporting

The Board of Directors provides oversight of the Company's sustainability reporting process to ensure accuracy, transparency, and alignment with recognized reporting standards. This includes reviewing the reporting scope, validating material topics, and approving the final sustainability report prior to publication. Management is responsible for data collection and report preparation, with internal validation processes supporting data integrity.

Ethics, Anti-Corruption, Transparency and Regulatory Compliance

The nature of our operations requires high standards of ethical conduct, transparency, accountability and regulatory compliance across all areas of the business. Our activities involve significant public interest responsibilities, regulatory oversight, procurement activities and engagement with government institutions, customers, contractors, suppliers and communities.

Potential governance and ethics-related risks associated with our operations may include:

- Corruption and bribery risks associated with procurement, contracting and supplier engagement activities.
- Conflicts of interest arising from operational, commercial or stakeholder interactions.
- Fraud, misuse of assets and unethical conduct.
- Regulatory non-compliance and breaches of operational or statutory requirements.
- Improper influence or unethical conduct in interactions with public institutions or external stakeholders.
- Reputational and operational risks arising from weak governance practices or lack of transparency.

Maintaining strong governance and integrity systems is therefore important to protecting public trust, shareholder value, supporting responsible business conduct and managing corruption,

fraud, bribery and regulatory compliance risks that may arise within operational and commercial activities.

Stakeholder engagement undertaken during the materiality assessment process highlighted ethical conduct, transparency, anti-corruption measures, procurement integrity, regulatory compliance and accountable governance as important stakeholder priorities. Regulators, customers, suppliers, employees and public stakeholders also emphasised the importance of maintaining responsible business practices, effective reporting mechanisms and transparent engagement processes.

We are committed to conducting our business ethically, lawfully and transparently in accordance with applicable legal and regulatory requirements, internal governance frameworks and recognised standards of responsible business conduct.

Policy commitments

We promote a governance culture founded on integrity, accountability, professionalism and ethical conduct across all levels of the organisation. Our ethical conduct framework is supported by the following policies:

- The Code of Conduct.
- Anti-Corruption Policy.
- Bribery and Corruption Prevention Procedures.
- Gift and Acceptance Policy.
- Whistleblower Policy.
- Procurement and supplier governance procedures.
- Internal audit and risk management processes.

These frameworks are developed by responsible business functions/departments, led by the designated executive manager, and approved by the highest governing body – the company board of directors. They establish expectations relating to:

- Ethical business conduct.
- Conflict of interest management.
- Whistleblowing and protection of whistleblowers
- Gifts and hospitality.
- Confidentiality and responsible use of information.
- Fair treatment of stakeholders.
- Responsible procurement and supplier engagement.
- Compliance with legal and regulatory requirements.

The policies are cover both internal (e.g. employees and board members) and external stakeholders (e.g. suppliers) to ensure that the principles contained within these frameworks

are maintained across the organisation's value chain. We strengthen awareness of ethical conduct requirements through internal communication, sensitisation programmes, corruption detection initiatives, governance oversight processes and operational controls, aimed at embedding integrity across day-to-day activities and decision-making.

Code of Conduct and Ethics

Our Code of Conduct provides a set of rules and guidelines to guide the behaviours, relationships and actions of KPC staff in line with ethical values. This code was customized for KPC based on the Code of Conduct and Ethics for employees of State Corporations established by the Public Service Commission (in line with the Public Officer Ethics Act, 2003).

The code covers multiple key issues necessary for ethical conduct including:

Conflicts of interest

Our governance and ethical expectations require board members, executive management and employees to disclose actual or potential conflicts of interest as a mitigation measure to reputation risks and poor decision making. This also enables staff to act in the best interest of the company and the public we serve.

Where conflicts exist, formal disclosure of full information is required followed by set procedures as determined by the leadership or board. Such procedures include abstinence from decision-making, recusal and management of the situation.

A conflict-of-interest clause is included in all service contracts as well as the Board Charter.

Gifts acceptance and declaration policy

We have a Gifts acceptance and declaration policy to promote ethical conduct amongst employees. The policy provides clear administrative procedures to be followed on the offering, acceptance and disposal of gifts by an individual or department. Both current and potential business partners are covered in the policy whose guidelines also apply to employee's spouses, relatives or other associates, if it can be perceived that the gift or hospitality is indeed for the employee's benefit.

In general, gifts or donations given to an employee on a public or official occasion shall be treated as a gift or donation to the Company. Gifts given to employees in an official capacity, however, can be received as personal provided that the gift is not monetary and its value is within the ordinary bounds of propriety as an expression of courtesy or protocol and within the ordinary standards of hospitality.

The policy establishes that employees may not receive the following types of gifts:

- whose value exceed KES 3,000,
- given with the intention of compromising their integrity, objectivity, or impartiality,
- comprising of precious metals or stones, ivory or any other animal part protected under the convention on International Trade in Endangered Species of Wild Fauna and Flora.

When an employee receives gifts outside the accepted provisions, they are required to declare it to their immediate supervisor or to the Managing Director through the Official gift registers provided at all stations and depots.

Anti-corruption and bribery prevention policy

We maintain systems and controls to prevent, detect and respond to corruption, bribery, fraud and other unethical conduct across our operational and commercial activities. Corruption risks may arise in areas such as:

- Procurement and contracting activities.
- Supplier and contractor engagement.
- Asset management and inventory control.
- Financial transactions and approvals.
- Infrastructure projects and maintenance activities.
- Regulatory interactions and external stakeholder engagement.

To manage these risks, we implement preventive and detective controls, including:

- Segregation of duties and approval controls.
- Procurement governance procedures.
- Due diligence processes for suppliers and contractors.
- Internal audits and compliance reviews.
- Financial and operational controls.
- Reporting and escalation mechanisms.
- Investigation and disciplinary procedures where required.

Further, we have documented our bribery and corruption prevention procedures which include a requirement that bribery and corruption risk assessment and prevention plans be developed at the department level. These reports are reviewed and approved by the Management Integrity Oversight Committee (MIOC) and are used to inform and train staff on best practices. Anti-corruption expectations are also communicated to suppliers, contractors, oil marketing companies, and service providers engaged in business activities associated with KPC operations.

We continue strengthening anti-corruption awareness and governance processes across the organisation through employee sensitisation programmes, policy communication, operational oversight activities and reinforcement of ethical conduct expectations across operational and commercial functions.

Whistleblower policy

Through the whistle-blower policy, we encourage timely reporting of critical concerns, whether related to safety, integrity, misconduct, or service delivery, through safe and confidential

channels for this purpose. The policy covers all our stakeholders including the Board of Directors, management, staff, contractors, suppliers, development partners, communities, and customers.

Updated in 2023, the policy now includes clear administrative mechanisms and approach for effective receipt and management of disclosures made. Some of the disclosure mechanisms contained in the policy includes:

- Line reporting through direct supervisors.
- In-person reporting to integrity officers within the company.
- Written submission via integrity boxes placed in depots and pumping stations.
- Anonymous email to report.corruption@kpc.co.ke
- In-person reports to the Managing Director riding on the existing open-door policy.

All submitted concerns are reviewed by the Ethics and Integrity Secretariat to determine the next course of action depending of the nature of the report. Possible scenarios may entail investigation of received reports internally followed by submission of the investigation report to the Management Integrity Oversight Committee (MIOC) for review and action, or escalation of the case to the EACC and other relevant law-enforcement agencies.

Internal corrective actions arising from investigations may include:

- Management actions and corrective controls.
- Disciplinary processes.
- Policy and procedural improvements.

The Whistleblower Policy supports confidential reporting and provides safeguards intended to protect reporting parties from retaliation or victimisation. We aim to handle reports confidentially, investigate fairly, and act decisively where wrongdoing is confirmed. This structured approach strengthens our ability to prevent harm and maintain trust while maintaining transparency, accountability and the timely resolution of reported concerns.

2025/26 performance and expected improvements

During the reporting year, 247 employees and 164 suppliers were trained on anti-corruption and ethical conduct, compared to 810 employees and 178 suppliers in 2024/25 (table 5). Further, eighteen company operations were assessed for corruption risks through an annual monitoring exercise that targets to enhance transparency and enable continuous improvements across all arms of business.

The higher number of employees trained in 2024/25 was as a result of a first-time mandatory inclusion of ethics training in employees' performance contracts. The policy did not continue during the reporting period to allow for employee feedback and their involvement in designing future ethics and anti-corruption programs. However, we purpose to have reinstate this policy and make ethics programs a mandatory key performance indicator for all staff.

Table 5 Ethics and anti-corruption sensitization performance

Indicator	Unit	2023/24	2024/25	2025/26
Employees trained on anti-corruption and ethics requirements	Number	230	810	247
Employees acknowledging the Code of Conduct	Number	100	0	0
Suppliers/contractors sensitised on ethical conduct requirements	Number	1494	178	164
Operations assessed for corruption risks	Number	22	22	18

Within the year, a total of three (3) whistleblower reports were received and two (2) successfully investigated and resolved, with employees found culpable disciplined in line with applicable penalties (Table 6). These complaints resulted from administrative failures where due process was not followed in an attempt abuse entrusted power for private or personal gain. Investigations are ongoing to resolve the pending whistleblower report.

Table 6 Internal whistleblower and ethics reporting performance

Indicator	Unit	2023/24	2024/25	2025/26
Whistleblower reports received	Number	0	0	3
Whistleblower reports resolved	Number	0	0	2
Employees disciplined for ethics violations	Number	0	0	2
Confirmed incidents of corruption	Number	0	0	2

In future, we will employ the following improvement to improve awareness of ethics and anti-corruption requirements:

- i. Require all new employees to acknowledge the code of conduct upon joining the company.
- ii. Make ethics training mandatory for all staff.
- iii. Transition from the email whistleblower to web-based service platform managed externally.

Governance, oversight and continuous improvement

Oversight of ethics, anti-corruption, transparency and compliance matters is supported through governance structures involving the Board, management, internal audit, risk management and compliance functions. In addition, the company has an Integrity and Ethics secretariat, led by the General Manager - Internal Audit, and eight regional committees that are in charge of promoting sensitization programmes and ethics and anti-corruption trainings across the company. The company also maintains Bribery and Corruption Procedures developed in line with ISO 9001: 2015 Quality management system.

To identify corruption risks within the company, Bribery and Corruption Risk Assessments (BCRA) are regularly undertaken on all company developments and processes; and Bribery and Corruption Mitigation Plans developed accordingly. The BCRA informs the development of Corruption Prevention Plans that are adopted by the highest governing body and then passed to the relevant departments for implementation. Quarterly progress reports are collated and submitted to Management team for regular progress monitoring. Further, findings from audits, investigations, stakeholder engagement, risk assessments and compliance reviews are used to strengthen internal controls, governance processes and operational practices across the organisation.

As regulatory requirements and stakeholder expectations continue to evolve, we remain committed to strengthening ethical leadership, promoting transparency, preventing corruption and supporting responsible business conduct across all areas of our operations. Through these efforts, we seek to maintain public trust, strengthen organisational integrity and support safe, transparent and accountable petroleum transportation and storage operations.

During the reporting period, we did not record any significant instances of non-compliance with applicable laws and regulations.

Public policy engagement and industry participation

As a strategic energy infrastructure company, we engage with government institutions, regulators, industry bodies and sector stakeholders on matters relating to petroleum transportation, infrastructure development, safety, environmental management and sector operations. Our engagement with public institutions and industry stakeholders may include:

- Participation in sector consultations and technical forums.
- Engagement on infrastructure and operational matters.
- Collaboration on safety, environmental and regulatory initiatives.
- Participation in industry associations and working groups.
- Technical engagement relating to petroleum transportation infrastructure and energy sector operations.

These engagements support alignment with evolving regulatory requirements, operational standards and national energy infrastructure priorities. We seek to maintain transparency and accountability in our interactions with regulators, public authorities and industry stakeholders and do not support improper influence, bribery or unethical conduct in public policy engagement processes.

Our contribution to public policy development and lobbying on climate change

Being one of the major energy utilities in Kenya, the Directorate of Climate Change in the Ministry of Environment, climate change and forestry identified KPC PLC as a key source of activity data for National emission estimation and Quality Control of the national inventory. Experts from KPC are members of several Technical Working Groups (TWG) that undertake emissions estimation for the national GHG inventory and tracking of the implementation of the Nationally Determined Contribution (NDC).

At present, however, KPC does not share data directly with the Directorate and all data is sourced from reports published by the Kenya National Bureau of Statistics (KNBS) and Energy and Petroleum Regulatory Authority (EPRA). This approach has made it difficult to estimate emissions whose activity data is not published by KNBS or EPRA e.g. fugitive emissions of methane and Non-Methane Volatile Organic Compounds (NMVOC) from the depots and refinery. With KPC's validated inventory and GHG Emissions assessment, there is an opportunity to strengthen national emissions estimation and define country specific emission factors in Oil and Petroleum sector.

KPC is also considering the opportunity to co-design capacity building programmes on climate change with the Directorate and other players, especially through the Morendat Institute of Oil and Gas.

KPC's commitment to improve operational efficiency, reduce greenhouse gas emissions, prevent pollution, and strengthen environmental management are broadly consistent to the position of the Directorate of Climate Change and the industry and professional associations

we belong to, including the Petroleum Institute of East Africa (PIEA), the Kenya Private Sector Alliance (KEPSA), and EPRA among others.

Approach to Tax

Kenya Pipeline Company PLC (KPC) is committed to maintaining the highest standards of integrity, transparency, and accountability in the management of its tax affairs. We recognize that the payment of taxes and statutory levies is an important contribution to national economic and social development, supporting the provision of public services and national infrastructure.

Our approach to tax management is prudent, ensuring compliance with all applicable tax laws, regulations, and reporting requirements in the jurisdictions in which we operate. We seek to make timely payments and maintain constructive engagement with relevant tax authorities to promote transparency and resolve tax matters in a timely manner.

The responsibility for tax compliance rests with management (particularly the General Manager, Finance) under the oversight of the Board of Directors through established governance structures and internal controls. The Company continuously monitors changes in tax legislation and works to ensure that its tax practices remain aligned with evolving regulatory requirements.

Our tax decisions are guided by legitimate business activities as a critical part of the Company's commitment to ethical business conduct. Through responsible tax practices, KPC aims to create long-term value for its stakeholders, support national (and regional) economic growth and maintain the confidence of shareholders, regulators, customers, and the communities it serves.

SECTION 5: ECONOMIC CONTRIBUTION AND EMPOWERMENT

Economic Performance and value creation

Economic performance is vital to our role as a regional operator of pipelines and storage facilities for petroleum products. Through our infrastructure and logistics services, we support energy security, enable regional petroleum trade, and create economic value for our shareholders, employees, suppliers, and the communities where we operate. We drive our economic value creation primarily through pipeline transportation tariffs, storage services, export handling and related petroleum logistics services.

We recognize that operational efficiency, infrastructure reliability and responsible business practices are imperative to a legacy of long-term economic value creation. Accordingly, we continue to invest in pipeline integrity, technology, operational resilience and workforce capability to support the sustainable growth of our business.

Further, we closely manage economic performance through strong governance and financial management structures consisting of Board leadership, internal audit team, and risk management and compliance functions. These systems ensure that economic performance is monitored, risks are managed effectively, and financial reporting remains transparent and accountable.

KPC does not receive political contributions or support in whatever nature, either directly or indirectly. Instead, we generate economic value and contribute to economic growth through three key pathways:

- i. Direct revenue generation and distribution consisting of
 - Payments to government (tax)
 - Payments to employees (salaries and wages)
 - Payments to suppliers and contractors
- ii. Indirect value creation consisting of
 - Employee welfare programs
 - Infrastructure development and energy logistics
 - Business booms around major depots and pumping stations
- iii. Infrastructure development through KPC Foundation activities in local communities. This includes enhancing access to better healthcare, clean water, and education infrastructure as discussed under social impacts in the next chapter.

Direct revenue generation and distribution

Continued demand for pipeline transportation and storage services and the strategic importance of our infrastructure to the regional petroleum supply chain continue to shape our financial trajectory as a company. Through financial prudence, strategic investments and efficient operations, our revenue has been growing over the years. We have achieved 9.11% and 9.34% increase in revenue in 2024/25 and 2025-26 respectively, on a year-to-year basis. In 2025/26 we registered over 42 billion shillings in revenue, with a net profit after tax of over 11.7 million shillings (Table 7).

Table 7 Summary of KPC Group financial performance

Indicator	2023/24 (KES)	2024/25 (KES)	2025/26 (KES)
Total Assets	122,881,498,612	141,290,024,930	148,951,081,371
Revenue	35,369,329,508	38,593,631,086	42,197,820,759
Cost of Revenue / Direct Costs	12,864,075,521	13,134,158,529	13,795,224,066
Operating Expenses	12,440,905,524	15,808,805,431	12,921,995,919
Income Tax Expense	3,125,584,970	3,335,779,343	5,675,409,563
Profit Before Tax	9,901,711,041	10,959,502,403	17,397,861,150
Net Profit After Tax	6,776,126,071	7,623,723,060	11,722,451,587

The economic value generated from our operations is distributed across stakeholders through operating expenditures, employee remuneration, payments to providers of capital and taxation, as shown in table 8. The remaining is retained within the business to support operational resilience, infrastructure development and future strategic investments.

Table 8 Economic value generated, distributed and retained in the last three years

Indicator	2023/24 (KES)	2024/25 (KES)	2025/26 (KES)
Economic value generated			
Revenue	35,369,329,508	38,593,631,086	42,197,820,759
Economic value distributed			
Operating costs	12,440,905,524	15,808,805,431	12,921,995,919
Employee salaries and benefits	6,973,140,465	6,652,792,368	7,568,490,571
Payments to providers of capital (finance costs)	741,171,199	1,187,763,136	1,027,532,192
Payments to the government (taxation)	7,605,338,350.81	6,296,877,885	11,459,374,212.92
Payments to suppliers	3,593,000,000	3,338,000,000	6,767,000,000
CSI	85,736,968	137,644,371	132,991,178
Sub-total	31,439,292,507	33,421,883,191	39,877,384,073
Economic value retained	3,930,037,001	5,171,747,895	2,320,436,686

Direct economic value generated and distributed is calculated on an accrual basis using figures derived from our audited financial statements.

i. Payments to the government

KPC PLC directly contributes to the budget of the government of Kenya by paying taxes as prescribed in the law. The company paid KES 7.605 billion and KES 6.297 billion in taxes for the years 2023/24 and 2024/25 respectively, with the tax to be paid for 2025/26 has been approximated at KES 11.5 billion. Additionally, the company previously paid dividends to the government of Kenya as the sole owner.

ii. Payments to employees

Employment generated through our operations contributes to local economic participation and skills development. Our workforce includes professionals, technicians and operational personnel responsible for pipeline operations, infrastructure maintenance and support services. Previously, as a parastatal owned by government, our recruitment processes prioritized qualified Kenyan professionals and technical personnel - contributing to workforce development and sustainable employment within the country. We look forward to extending our staff base to reflect our regional footprint.

We are extremely proud that we have achieved payment parity, ensuring that male and female employees within the same job group receive equal monthly remuneration regardless of gender. In addition, we provide retirement and post-employment benefits to employees through pension arrangements, statutory social security contributions and gratuity provisions. In 2025/26, we spent more than KES 100 million on employee benefits such as group life and medical covers, pension, gratuity provision, paid leave, and welfare programs among others (table 9). These benefits form part of our broader approach to employee welfare, long-term financial security and responsible employment practices.

Table 9 Expenditure on employee benefits and welfare contributions

Indicator	2023/24 KES	2024/25 KES	2025/26 KES
Group life and medical cover	447,173,477	537,686,827	483,583,126
Pension – employer contribution	536,757,853	378,724,976	592,703,279
NSSF – employer contribution	27,961,319	57,041,100	90,503,962
Gratuity provision	55,360,096	49,062,048	58,647,142
Leave pay provision	44,686,396	33,872,624	110,322,729
Fringe benefits tax	33,277,641	52,486,927	24,003,156
Staff welfare	62,156,894	93,025,860	102,957,252

We continue to monitor the sustainability of our retirement benefit schemes and ensure that employee benefit obligations are appropriately provided for in accordance with applicable accounting standards.

iii. Payments to contractors and suppliers

Our operations require a wide range of goods and services, including engineering services, equipment supply, logistics support, maintenance services and professional expertise among others. Through procurement of these requirements, we create opportunities for local and international suppliers and contractors to participate in our supply chain. We contribute to the growth of local and regional enterprises and strengthen domestic supply chains linked to the petroleum logistics sector.

Indirect value creation

i. Employee welfare programs

We invest in programs that support and empower our employees to lead healthy and fulfilling lives. By promoting physical fitness and mental health programs, we create a powerful ripple effect that transforms workplace wellness into community wealth. These programs benefit the company by reducing employee absenteeism and cut corporate healthcare costs, but also increase employees' disposable income and protect their families from financial strain.

ii. Infrastructure development and energy logistics

Through transportation, storage and distribution services across Kenya and the wider East African region, we contribute to the stability and efficiency of fuel supply chains, helping ensure reliable access to petroleum products across sectors that are critical to economic activity, including transport, manufacturing, agriculture, construction and power generation. As a result, we support economic productivity, business continuity and national energy security by maintaining operational reliability and business continuity across the petroleum supply chain.

Our infrastructure generates indirect economic value in several ways:

- Efficient pipeline transportation reduces reliance on road transport for bulk fuel movement, contributing to lower transportation costs, reduced traffic congestion, improved road safety and lower pressure on public road infrastructure.
- Pipeline transportation also supports more efficient movement of petroleum products across the supply chain, improving reliability and reducing operational inefficiencies associated with fuel distribution.
- Installed fibre-optic cables along the pipeline network supports operational communication and monitoring capabilities across the country.

We continue to invest in infrastructure maintenance, operational reliability and system improvements to support long-term service delivery and evolving national and regional energy needs. These investments contribute not only to operational resilience, but also to the broader functioning and stability of the economy by supporting reliable access to petroleum products across multiple sectors and markets.

The table below summarises key infrastructure and service delivery indicators supporting our contribution to national and regional energy logistics. These indicators reflect the scale of our operations and the important role our infrastructure continues to play in supporting fuel distribution, regional trade, operational reliability and continuity of energy supply across multiple sectors of the economy.

iii. Local businesses Support

Beyond the indirect economic benefits generated through our infrastructure, we contribute to local economic development through direct procurement activities, employment opportunities, and engagement with suppliers, contractors and service providers across the country. Our operations create economic linkages with businesses involved in engineering, logistics, construction, maintenance and other services supporting the petroleum supply chain.

By sourcing goods and services and employing professionals and technical personnel locally where feasible, we support domestic supply chains and contribute to economic activity in the regions where our infrastructure and facilities are located. The following sections highlight

selected areas through which we contribute to local economic participation, including procurement, supplier engagement and employment-related impacts.

External financial assistance

During the reporting period, we did not receive grants, development partner funding, or donor financing. Our operations are funded primarily through revenue generated from pipeline transportation and storage services.

In addition, KPC is no longer a state-owned organization and therefore, no financial relationship exists where the company benefits from any government funding.

SECTION 6: ENVIRONMENTAL STEWARDSHIP AND ASSET INTEGRITY

Climate change, GHG emissions and energy transition

Climate-related risks and associated impacts

Both physical climate events and transition-related developments, have the capacity to disrupt infrastructure reliability, operational continuity, and long-term infrastructure planning. They also alter the environmental compliance obligations for companies such as KPC PLC. These changes may in effect influence the long-term resilience, operational costs and infrastructure planning requirements associated with our operations.

Physical risks include environmental anomalies such as flooding, sea level rise, soil erosion and landslides among others. Examples of cases of physical environmental risks in Kenya include, i.) intense soil erosion during heavy rains that expose the pipeline to surface interferences, ii.) submerging of parts of the pipeline due to flooding, iii.) Overgrowing of invasive vegetation near the pipeline, creating bushes that can hinder emergency response operations in an area.

Transition-related risks, on the other hand, include developments such as evolving climate regulations, emissions reporting disclosures and changing stakeholder expectations, that may introduce additional operational and compliance requirements over time. Stakeholder engagement during the reporting period highlighted increasing interest from regulators, customers and other stakeholders regarding emissions management, infrastructure resilience, environmental transparency and preparedness for evolving climate-related requirements. Stakeholders emphasised the importance of strengthening environmental monitoring systems, improving operational resilience and enhancing climate-related reporting and preparedness.

We also recognise increasing stakeholder expectations regarding environmental transparency, climate-related reporting and emissions management.

Mitigation measures

Across diverse sectors, climate mitigation and adaptation initiatives generate opportunities to improve operational efficiency, strengthen infrastructure resilience and enhance environmental performance across critical operations. We are implementing programs that target to enhance operational efficiency while contributing to both economic and environmental gains. For example, by solarizing and installing motion sensors at our headquarters, Kenpipe Plaza Building, we conserve electricity usage and reduce our power expenditure.

The integration of climate-related considerations into enterprise risk management, operational planning and infrastructure management processes has been piloted, with plans to improve the mechanisms applied by quantifying these risks in financial terms. Further, we are strengthening stakeholder relations by improving our emissions monitoring systems and climate-related reporting processes to support improved operational visibility and preparedness for evolving regulatory and stakeholder requirements.

The table below summarizes these climate-related risks and the mitigation measures being implemented to strengthen operational resilience and preparedness.

Risk	Potential impact	Mitigation measures
Physical risks – flooding and land instability	Damage to pipeline corridors, pumping stations and depots; operational disruptions and increased maintenance requirements.	Routine infrastructure inspections, integrity assessments, maintenance programmes and integration of climate considerations into operational planning and emergency preparedness processes.
Transition risk arising from climate policy and regulatory developments	Change in compliance obligations, operational adjustments and additional reporting requirements.	Integration of climate-related considerations into enterprise risk management and strategic planning processes.
Climate-related reporting and stakeholder expectations	Increased expectations regarding environmental transparency, emissions reporting and sustainability disclosures.	Development of greenhouse gas emissions baseline, strengthening emissions monitoring systems and enhancing sustainability reporting processes.

Energy consumption at KPC PLC

Global warming and Climate change are increasingly shaping the operating environment for energy infrastructure sector, compelling companies to develop transition plans on how they will reduce their greenhouse gas emissions. At KPC PLC, we operate extensive infrastructure and support facilities that require significant energy inputs to maintain reliable transportation and storage services of petroleum products.

Table 10 below shows the consumption of diesel, petrol, electricity, and solar energy within our operations. Solar energy provides almost equal amounts of energy as purchased electricity for our operations.

Table 10 Energy consumption metrics

Category	Energy Source	Unit	2024/25	2025/26
Scope 1 emission sources	Diesel consumption	Litres	509,799.78	562,437.32
	Petrol consumption	Litres	37,844.58	14,574.52
	Helicopter (Aviation turbine fuel)	Litres	49,960.00	-
Scope 2 emission sources	Electricity consumption	MWh	149,901.68	174,646.31
Renewable energy source (avoided emissions)	Solar installation	MWh	111,449.45	161,740.71
Total energy consumption (Electricity + Solar)		MWh	261,351.13	336,387.02
Energy intensity per throughput		kWh/m ³	15.36	16.46

Note: KPCs fuel consumption was calculated from fuel bills data with the assumption 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.

As a result of direct and indirect energy consumption, our operations generate greenhouse gas (GHG) emissions. This includes emissions associated with electricity consumption for pumping operations, fuel use in the operation of equipment and vehicles, and evaporation of hydrocarbons from petroleum products during loading and offloading.

Kenya Pipeline Company PLC GHG Emissions Assessment Baseline Report 2025/2026

During the reporting period, we completed a baseline assessment of greenhouse gas (GHG) emissions associated with our operations and selected value chain activities to strengthen our understanding of operational emissions and improve climate-related reporting and environmental transparency. The assessment was anchored on frameworks and standards that promote methodological rigor, comparability, and alignment with global best practices. These include: 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.

Founded on these frameworks and standards, the GHG methodology adopted for this assessment was structured and systematic with organizational boundaries defined using the operational control approach; encompassing pumping stations, pipeline operations, depots, offices, and other administrative facilities operated by the company. Additionally, 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. The report makes use of the financial reporting year July 2024-June 2025 as the base-year.

Data collection relied on fuel consumption records, electricity bills, transport logs, Company administrative data, procurement data, and 2025/2026 Annual Financial Statements; although site visits were conducted at key depots and operational sites to validate activity data and observe operational practices firsthand. 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.

A summary on our Greenhouse gas (GHG) emissions

The assessment established our initial GHG inventory and defined the organisational and operational boundaries for emissions reporting using an operational control approach. Emissions sources were identified and quantified across Scope 1, Scope 2 and selected Scope 3 categories associated with pipeline transportation operations, storage infrastructure, operational support activities and relevant value chain activities as shown below

- i. **Scope 1 emissions** - direct emissions from sources owned or controlled by the Company arise primarily from fuel combustion in operational equipment, generators and company-owned vehicles.
- ii. **Scope 2 emissions** - represent indirect emissions associated with purchased electricity consumed across pumping stations, depots, terminals and offices. Given the energy intensity of pumping operations, electricity consumption represents a significant component of our operational emissions profile.
- iii. **Scope 3 emissions** - represent other indirect emissions occurring across our value chain outside our direct operational control but associated with our activities and operations. These include: Purchased goods and services, Capital goods associated with infrastructure development and maintenance, Business travel, Employee commuting, Water consumption and wastewater management activities.

Table 11 provides a summary of our scopes 1, 2 & 3 greenhouse gas (GHG) emissions within the last two years. Scope 3 emissions are the highest portion of the company's overall emissions footprint, representing approximately 68.80% and 66.59% of total emission in 2024/25 and 2025/26, respectively. This underscores the materiality of value chain impacts such as procurement activities, business travel and employee commuting.

KPC has also leveraged solar installation to reduce its Scope 2 emissions. In 2025/26, solar produced 161,740.71 kWh of renewable electricity, corresponding to an estimated 113.31 kgCO_{2e} in avoided emissions. Furthermore, the company's 14.4 cubic meters of solar water heating system (at Morendat facility) contributes to additional GHG emissions avoidance estimated at 6.72 tCO_{2e} in the same year, bring the total impact of avoided emissions at an estimated 120.03 tCO_{2e}.

Table 11 Scope 1, Scope 2 and select Scope 3 greenhouse gas emissions

Emissions Category	Unit	2024/25	2025/26	Year on year change (%)
Scope 1 emissions	tCO ₂ e	1,743	1,701	-2.41
Scope 2 emissions	tCO ₂ e	8,245	10,116	+22.7
Total direct emissions (scope 1 + scope 2)	tCO ₂ e	9,987	11,817	+18.32
Scope 3 / Indirect emissions (select categories)	tCO ₂ e	21,472	22,351	+4.09
Total GHG emissions	tCO ₂ e	31,459	34,168	+8.6
Carbon intensity metrics	Unit	2024/25	2025/26	
Absolute emissions intensity per operational throughput	kgCO ₂ e/m ³	3.47	3.23	-6.9
Absolute emissions intensity per km pipeline	tCO ₂ e/km	23.44	25.46	+0.0009
Total emissions intensity per revenue unit	tCO ₂ e per million KES	0.82	0.81	-0.0122

The major sources of gross direct (Scope 1) GHG emissions in the company include generators, vehicles, and air-conditioning as depicted in figure 3. Vehicles are the biggest source of scope 1 emissions, accounting for up to 78.57% of total scope 1 emissions. Due to the nature of KPC business model (middle stream), methane emissions from direct processes were insignificant and therefore not accounted for separately.

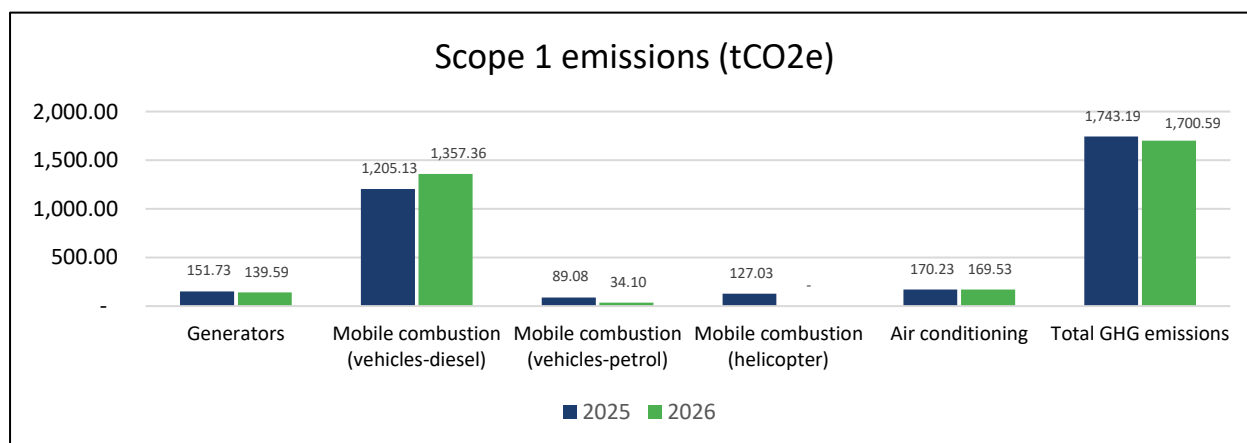


Figure 3 Sources of scope 1 emissions

More details on our GHG emissions can be found in the baseline KPC PLC GHG Emissions report (2025/26). The report provides a strong starting point for tracking of our emissions performance and strengthening our climate disclosures in future reporting periods. The complete report can be accessed on our website.

Our emission reduction strategies and programs

To date, our efforts to minimize emissions from our operations have largely focused on Scopes 1 & 2 emissions, particularly reduction of energy consumption in our operations. Our emissions reduction strategy comprises of two critical approaches, namely:

I. Transition into Renewable Energy

We have completely solarized the company's Headquarters and MIOG buildings, reducing our energy costs by up to 60%. Similarly, we are currently initiating pilot projects to assess feasibility of solarizing select pumping stations across the country.

II. Prevention of direct petroleum fumes

Evaporation and handling losses from petroleum products in fuel tanks, pipelines, and refineries can release hydrocarbon vapours, including volatile organic compounds (VOCs/NMVOCs), into the atmosphere. To minimise these fugitive emissions, we have:

- i. Constructed bottom-loading facilities at selected loading depots. These systems are designed to reduce splash loading and associated vapour emissions while improving loading efficiency.
- ii. Implemented storage-tank roof upgrades, including geodesic domes with internal floating roofs where applicable, to reduce evaporative losses and improve tank integrity.

III. Improved efficiency in energy use

Secondly, we are upgrading our equipment to improve electrical and mechanical efficiency during operations. We have so far implemented the following

- i. Improved operational efficiency through preventive equipment maintenance
- ii. Optimising of operational processes such as pumping schedules
- iii. Use of Variable Frequency Drives (VFD) technology to improve power use efficiency leading to lower energy consumption.
- iv. Installation of motion sensors at KPC Kenpipe Plaza Building for automatic switching on/off lighting to help conserve electricity usage.

Future Emissions Reduction

Operational changes

The GHG baseline assessment identified several opportunities to further improve operational efficiency and reduce emissions across our infrastructure and activities. These opportunities are primarily associated with energy consumption within pumping operations, operational equipment and supporting infrastructure. They include:

- Upgrading ageing pumps, motors and mechanical systems to more energy-efficient technologies.
- Optimising pumping schedules and operational controls to reduce unnecessary energy consumption.
- Strengthening monitoring, automation and control systems to improve operational efficiency and minimise energy losses.
- Reducing fuel consumption associated with generators, operational vehicles and maintenance activities.
- Enhancing preventive maintenance programmes to improve equipment performance and reduce operational inefficiencies.
- Strengthening emissions data collection and monitoring systems to support improved emissions management and operational decision-making.

The baseline assessment also highlighted the importance of improving emissions visibility across the Scope 1, Scope 2 and Scope 3 categories to support the identification of future emissions-reduction initiatives and to strengthen climate-related reporting processes over time.

We remain committed to strengthening energy efficiency, improving operational performance and enhancing emissions management across our operations. As we continue to strengthen our climate-related monitoring and reporting systems, we will progressively integrate emissions reduction considerations into operational planning, infrastructure management and continuous improvement initiatives across the business.

Emissions reduction strategy

Cognizant that the global transition to a low-carbon economy presents both risks and opportunities for the Company's long-term sustainability, we are committed to progressively reducing greenhouse gas (GHG) emissions from our operations while maintaining energy security, operational reliability and affordability. Our future emissions reduction strategy will therefore seek to enhance operational efficiency, improve resilience to climate-related risks and support Kenya's transition towards a lower-carbon economy.

The strategy will incorporate climate-related scenario analysis to evaluate the resilience of the Company's business model under various locally-relevant climate scenarios. We believe that this science-based approach will improve strategic decision-making and guide the development of a structured decarbonization roadmap for the Company.

We continue to improve the quality and completeness of our greenhouse gas inventory, so as to progressively address emissions across the value chain (Scopes 1, 2 and 3). We recognize that effective emissions reduction will requires collaboration across their value chain, and we'll be engaging all relevant stakeholders to support the process. The KPC GHG Emissions report (2025/26) will form the baseline against which future emissions performance will be measured.

Product Spillage and leakage

Operational failures during the transportation, storage and handling of petroleum products may result in uncontrolled discharges into soil, groundwater, surface water and local environments, causing contamination of these surroundings and ecosystems. Environmental management is particularly important in operational areas located near communities, water resources, transport corridors and environmentally sensitive environments.

Stakeholder engagement undertaken during the reporting period highlighted continued stakeholder interest in spill prevention, environmental protection, infrastructure reliability, emergency preparedness and environmental accountability across operational areas and pipeline corridors. Concerns regarding land contamination, environmental remediation and operational impacts on surrounding communities remain important considerations in our environmental management approach.

Some operational areas associated with petroleum import, storage and transfer activities may also present potential risks of coastal or marine pollution if incidents are not effectively prevented and managed. We, therefore, maintain operational controls and coordinated response arrangements to support preparedness for both land-based and marine-related spill incidents.

Our management approach: Prevention, Rapid Containment and Environmental Restoration

Our management of products spills and leakages cascades through three core pillars:

I. Proactive prevention

Operational spills may occur during several stages of petroleum handling, including loss of primary containment from pipelines, tank overspills during product receipt, storage and offloading, and spills during transfer of product between operational systems and storage infrastructure. Such operational spills and leaks may arise from equipment failure, corrosion or human error within the system.

To manage these risks, therefore, we implement a combination of engineering safeguards, infrastructure controls, operational procedures and monitoring systems designed to prevent product loss and minimise environmental exposure. Engineering safeguards assist with controlling product flow and detecting alarming breaches within the system while infrastructure measures minimise environmental exposure.

Examples of existing engineering safeguards are:

- Motorised inlet valves linked to storage tanks to support controlled product transfer.
- High-level alarm systems designed to prevent tank overflows.

- Emergency shutdown systems and operational isolation controls.
- Sluice gate systems used to isolate operational areas during spill incidents.
- Leak detection and operational monitoring systems.

Additionally, several infrastructure controls exist to minimise environmental exposure include:

- Paving of tank bund areas and pump rafts to prevent seepage into soil.
- Installation of leak-proof drainage systems to contain and channel contaminated runoff.
- Bunded containment structures around storage infrastructure.
- Containment systems designed to prevent spills from spreading beyond operational areas.

Together, these measures reduce the likelihood of uncontrolled product releases and support rapid containment and response where incidents occur.

II. Rapid containment and emergency response

Early detection of leaks and abnormal operating conditions supports rapid response that ensures the risks do not escalate and harm is not spread to neighbouring areas. We prepare for rapid and coordinated response through emergency preparedness planning, training, drills, and established collaboration frameworks with other emergency responders. Emergency readiness is closely linked to both operational and environmental risk management, and has been integrated into our broader health, safety and environmental management systems across depots, pumping stations, storage facilities and pipeline infrastructure.

III. Environmental remediation.

After containment, we monitor the potential impacts of the spill on soil, water and air quality, and implement the following site restoration activities to physically cleanup the spilled product and remediate the environment:

- Hazardous Waste Disposal: all contaminated absorbents, soil, and vegetation must be collected and disposed of at a registered Hazardous Waste Facility.
- Rehabilitation: we utilize techniques such as bioremediation or chemical stabilization to break down residual contaminants and return the ecosystem to a hazard-free state.

Further, we investigate incidents to identify the causes of spillage and leakages and design and implement effective corrective actions.

Our spill prevention and response preparedness regime is tailored to the different ecological spaces where risks may occur i.e. marine vs land (soil and ground water).

Marine spill prevention and response preparedness

Petroleum import and transfer activities associated with coastal and marine infrastructure present potential risks of marine pollution if spills or product releases are not effectively prevented and managed during offloading and transfer operations.

Potential marine-related spill risks may arise during:

- Vessel offloading operations.
- Transfer of petroleum products through marine receipt infrastructure.
- Storage and transfer activities associated with coastal petroleum handling facilities.
- Equipment or hose failure during product transfer operations.

To minimise these risks, we implement operational controls, monitoring systems and emergency response procedures designed to support safe petroleum handling and rapid response capability during marine-related operations.

Our approach includes:

- Operational inspection and monitoring during offloading activities.
- Preventive maintenance of transfer infrastructure and associated equipment.
- Spill containment and recovery preparedness measures.
- Emergency response coordination arrangements with relevant agencies and industry partners.

In May 2025, we collaborated with Kenya Ports Authority (KPA), Kenya Petroleum Refineries Limited (KPRL), the Kenya Maritime Authority (KMA), and the Oil Spill Mutual Aid Group (OSMAG) for an oil spill response training and drill exercise that was conducted in Kisumu

On-land spill prevention and response preparedness

Soil and groundwater are important resources and a critical component of environmental management across our on-land petroleum transportation and storage operations. Areas with elevated spill exposure include tank farms, pump stations, truck loading areas and pipeline transfer points. To reduce the risk of soil or groundwater contamination in these areas, we implement both preventive and monitoring measures.

Preventive measures include:

- Containment structures around storage tanks and operational infrastructure.
- Paved operational areas designed to minimise hydrocarbon infiltration into soil.
- Engineered drainage systems that channel potentially contaminated runoff into treatment systems.
- Leak detection systems designed to identify abnormal operating conditions early.

Operational spills occurring within facilities are directed through controlled drainage systems connected to treatment infrastructure to minimise environmental exposure. To monitor environmental indicators, we analyse soil samples, effluent water samples and groundwater samples for analysis of BTEX (Benzene, Toluene, Ethylbenzene & Xylene) levels for groundwater and effluent samples, and BTEX, TPH (Total Petroleum Hydrocarbons), and PAH (Polycyclic Aromatic Hydrocarbons) for soil samples. The results are compared to the Dutch Intervention Values (DIV) stipulated in the Dutch Soil Remediation Regulation 2009. The DIV are based on the assumption that all exposure routes of the chemicals of concern to the receptors are operational, regardless of site condition.

Samples of the sub-surface soil, ground water and effluent discharged from our operations are tested to monitor environmental impacts based on licensing and auditing regulations. Effluent sampling is carried out quarterly as per licensing conditions, while soil and groundwater sampling is carried out annually as part of our environmental self-audit.

Table 12 shows the number of soil, effluent and groundwater samples tested in the last three years. The number of soil and effluent samples is majorly driven by the number of operational sites assessed in a given cycle, however, the number of groundwater samples are often constrained by the number of monitoring wells physically available at the time of testing.

In 2024/25, all samples were within recommended Dutch intervention values except for effluent at PS 14 and PS 25 which surpassed DIV limits for BTEX and PS 27 which surpassed the DIV limits for Benzene. Following the exceedances noted in these three stations, corrective interventions were undertaken including the cleaning of the Oil-Water Separators (OWS) to restore effective hydrocarbon removal performance, alongside the investigation and elimination of the underlying source of product contamination at each station.

These interventions have proven effective as no contamination cases have been reported in 2025/26. Further, we have plans to replace worn-out coalescence plate separators within all OWS units within the next financial year 2026/27.

Table 12 Soil and groundwater protection indicators

Indicator	Unit	2023/24	2024/25	2025/26
Soil samples assessed	Number	43	51	51
Effluent samples assessed	Number	88	88	88
Groundwater samples	Number	6	6	6
Confirmed incidents of groundwater contamination	Number	0	0	0
Confirmed incidents of soil contamination	Number	0	0	0
Confirmed incidents of effluent contamination	Number	0	3	0
Sites undergoing remediation	Number	0	0	0

To further strengthen groundwater protection, we plan to progressively install groundwater monitoring wells (piezometers) near key operational facilities to monitor potential hydrocarbon contamination in underground aquifers.

Waste, water and effluent management

Waste generation, treatment and disposal

Waste generated across our operational activities can be categorised as either hazardous or domestic waste. Examples include contaminated materials, oily waste, sludge, used absorbents, scrap materials and general operational waste. Hazardous waste is generated from interceptor pits, tank cleaning, OWS systems and general bunded areas. Such waste, when generated at operational facilities, is collected in designated containers, segregated where appropriate and stored safely before transfer to licensed waste management contractors.

As a responsible business, we are keen to manage waste streams generated across our operations to support compliance with environmental regulations. We manage these waste streams through approved treatment and disposal processes in accordance with applicable environmental requirements and internal operational procedures. We contract NEMA-certified handlers to manage the collection, handling and disposal of domestic waste from all stations whereas hazardous waste is securely handled and transported to licensed disposal facilities. Using licensed contractors supports safe handling, transportation and disposal of waste while maintaining traceability and accountability throughout the waste management process, in accordance with environmental regulations and applicable waste handling requirements in Kenya.

Examples of solid non-hazardous waste generated across KPC's operations include paper, cardboard, plastics, packaging materials, scrap metal, wood, food waste and general office waste whereas hazardous waste mainly comprises of waste oil, wastewater and sludge. Both categories of waste constitute an important component of the Company's overall environmental impact.

During the reporting year (2025/26), the Company recorded 269.94 tonnes of sludge generated from wastewater treatment processes, a significant decrease from 316.72 tonnes recorded in 2024/25 (Table 13). At present, however, we are unable to comprehensively report on the quantity of solid non-hazardous waste generated in the course of the year. We understand that without comprehensive data, it is difficult to identify waste generation trends, evaluate opportunities for waste minimisation, increase recycling and resource recovery, or demonstrate progress towards circular economy.

Table 13 Waste generation and management

Waste category	Unit	2024/25	2025/26
Hazardous waste			
Sludge	tonnes	316.72	269.94
Used Oil	Amount spent (EUR)	200.50	Not available
Effluent	m3	Not available	Not available
Non-hazardous waste			
Wastewater*	m3	158,749	170,510
Solid non-hazardous waste	tonnes	Not available	Not available
Waste disposed through licensed contractors	%	100	100

Note: *Volume of wastewater quoted is based on the assumption that total water withdrawn ended up as waste water.

We have initiated innovative ways to reducing our waste footprint through recycling of used oil and recycling of E-waste and scrap metal by NEMA-compliant certified vendors. For example, all used oil, generated in 2024/25, was donated to Numerical Machining complex for use in their furnaces. In addition, scrap metals are reused within stations for maintenance and repair works while the remaining are auctioned through the designated procurement processes.

We continue to strengthen waste data management systems to improve visibility into waste generation, recovery, recycling and disposal activities across operational facilities.

Water use and effluent management

Although KPC's core business is not water intensive, the Company recognizes that water is a shared resource whose sustainable management is critical to protecting ecosystems, supporting communities, and ensuring long-term operational resilience. At KPC, water is particularly essential for equipment maintenance, fire response systems, sanitation, and domestic use across its depots, pumping stations, and administrative facilities. We are committed to responsible water stewardship through efficient water use, pollution prevention, and continuous improvement of water management practices. We used 170,510m3 of water in the year 2025/26, with more than 35,000m3 of this (>20%) sourced from a borehole at the Nairobi Terminal while the rest was supplied by licensed water service providers across the country.

The Company further recognizes that some of its facilities are located within or near environmentally sensitive areas and important water resources, including major river basins, the Kenyan coast, and Lake Victoria. Consequently, it is critical that potential impacts on shared water resources are minimized through robust environmental management systems, preventive maintenance programmes, spill prevention measures, and emergency response preparedness.

Potential interactions with water resources are assessed as part of environmental and social impact assessments (ESIAs) undertaken for new projects and major upgrades. These

assessments consider potential effects on surface water, groundwater, aquatic biodiversity, downstream users, and local communities. Appropriate mitigation measures are incorporated into project design and operational procedures to prevent contamination and maintain water quality.

As climate change increases pressure on Kenya's water resources, efficient use of water and improved access to clean water by surrounding communities remains a critical business objective. To promote sustainable water sourcing and usage, we developed a company-wide strategic water management plan that highlights site-specific needs and stipulates localized sustainable solutions. Over the years, we have continued to adopt sustainable water consumption including the drilling of a borehole at Kenpipe plaza and collection of rainwater to support greening projects within stations facing water scarcity during dry seasons.

On the other hand, we make sure wastewater from our operations are treated and disposed of properly. Water collected from operational areas is channelled through leak-proof drainage systems into oil-water separators (OWS) where petroleum residues are separated from water before being discharged back into the environment. The effluent discharged from these systems is inspected and monitored regularly to support compliance with national environmental standards and discharge requirements. Through Quality effluent monitoring, we consistently verify compliance with the EMCA Water Quality Regulations (Legal Notice No. 120 of 2006) which governs the discharge of effluent into the environment. These regulations establish permissible limits for key water quality parameters, including pH, biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), oil and grease, heavy metals, and other pollutants prior to discharge into the environment.

Compliance with these standards is verified through routine wastewater sampling and laboratory analysis conducted every year. Over 84% of all effluent samples meet regulatory standards, with annual analysis involving an average of 20 samples (Table 14).

Table 14 Water and effluent management performance indicators

Indicator	Unit	2023/24	2024/25	2025/26
Water withdrawal	m ³	148,262	158,749	170,510
Effluent generated	m ³	Not available	Not available	Not available
Effluent samples meeting regulatory standards	%	90	84	N/A
Significant spills affecting water bodies	Number	1	0	0

Further, the characteristics and sensitivity of receiving water bodies, or environments, are considered during environmental planning and project development through Environmental and Social Impact Assessments (ESIAs), environmental audits, and regulatory permitting processes. Factors such as proximity to rivers, wetlands, groundwater resources, protected

areas, and downstream water users are assessed to ensure that wastewater discharges do not compromise water quality or aquatic ecosystems. Where necessary, additional mitigation measures and monitoring requirements are implemented to protect receiving environments.

Future Improvements

KPC is committed to strengthening its waste and water data management systems by implementing more structured waste tracking and reporting mechanisms across all operational sites. Planned improvements include

- standardizing waste classification and measurement procedures
- requiring licensed waste service providers to submit weight-based disposal and recycling records
- strengthening waste and effluent record-keeping at depots and pumping stations

These improvements will enable better visibility of operational water use, wastewater treatment and effluent discharge volumes across facilities which will in turn support informed decision-making, facilitate year-on-year performance monitoring, improve regulatory compliance, support assurance of sustainability disclosures, and provide the evidence needed to develop future waste and wastewater reduction, reuse and recycling initiatives. We will also improve staff awareness and accountability for waste segregation and reporting to enhance the quality and completeness of environmental data.

Air emissions and ambient air quality

Air emissions associated with our operations are generally localised within operational areas and occur primarily in depot environments and petroleum-handling facilities. The primary sources of local air emissions include:

- Exhaust emissions from trucks and operational vehicles.
- Dust generated by tanker movements entering and leaving depot facilities.
- Vapour emissions from storage tanks during loading and product handling operations.
- Combustion-related emissions from operational equipment and generators.

As part of our environmental management processes, we conduct routine monitoring of stack emissions and ambient air quality to support compliance with Environmental Management and Co-ordination Act (Air Quality) Regulations, 2014. We track levels against Ambient Air Quality Tolerance Limits set by the regulator for industrial areas. For instance, the allowable limits for respiratory Particulate matter (PM10) are 150µg/m³ within 24 hours or an annual average of 80µg/m³ for industrial areas.

So far, our monitoring activities prioritize tracking of PM10 concentrations across different stations, starting with high-risk stations. PM10 exposure is determined by use of static sampling where a battery powered sampling pump is connected by tubing to a filter that draws air through a particle size separator and then through a detection system. Particle size separation is achieved by impaction at a flow rate of 5 l/min. with the system being able to determine PM10 and PM 2.5. To improve accuracy, we monitor PM10 levels in both diurnal and nocturnal schedules.

We are proud to report that PM10 levels have been maintained within allowable limits across almost all our depots and pump stations over the last two years. Only one in sixteen sampling points in 2024/25 had concentrations higher than the recommended levels (151.52 µg/m³) as shown in table 15 below. The next Ambient air quality assessment is scheduled towards the end of the year (2025/26).

Year	Number samples	PM10 24hr levels (µg/m ³)	
		Min	Max
2023/24	19	20.33	139.50
2024/25	16	0.17	151.52

Table 15 Ambient air quality monitoring - emissions levels

Whereas our stations have consistently recorded values below the recommended PM10 values, we closely monitor stations that record more than 110µg/m³ and apply interventions to mitigate further deterioration. Some of the mitigation changes recommended in the 2024/25 Ambient Air Quality Report include: setting up wind shields, and moistening sand and aggregate

surfaces e.g. pavements to suppress dust. We are proud to have recently installed sprinklers within several stations in response to expert recommendations and best environmental practice.

Other pollutants, including VOC-related combustion parameters (CO, NO_x, SO₂, and ozone), together with O₂ and CO₂ are measured through the annual Source Emission Testing exercise carried out by an accredited third party (SGS Kenya), in compliance with the EMC (Air Quality) Regulations, 2014 and IFC/WB General EHS Guidelines, using USEPA Reference Methods 3A, 6C and 7E. These emissions are measured from standby station generators and vehicles, as well as evaporative emissions from the tanks and pump rafts.

The potential impacts from the above air contaminants are generally low to medium and site specific and we measure emissions from these contaminants at points with highest risk (mostly at generators). Table 16 below highlights measurements recorded in the last internal environmental audit conducted early 2025. All measured pollutants of concern were within tolerable regulatory limits.

Table 16 Air quality indicators

2025 audit measurements (ppm)	Carbon monoxide	Sulphur dioxide	Nitrogen oxide	Nitrogen dioxide	NOX
PS2 Samburu	24.5	1.5	39	2.05	41.05
PS3 Maungu	17.25	1	19.25	0.45	19.7
PS4 Manyani	21	2.5	54	0.75	54.75
PS5 Mtito Andei	37.5	1.5	18.5	0.4	18.9
PS6 Makindu	206.25	0.5	86.75	33.73	120.48
PS8 Konza	175.75	0.25	87.25	26.8	113.3
PS14 Kipevu	35.5	1.5	69.25	0.83	70.08
PS15 KPRL	61.25	0.75	59	0.75	59.75
PS22 Mai mahiu	69	0.5	209.25	26.73	235.98
PS23 MTCC	213.25	0	248	63.08	311.08
PS24 Nakuru (Soilo)	532.75	0	92.25	65.8	158.05
PS25 Nakuru (Lanet)	634.03	1.75	629	15.48	644.48
PS26 Sinendet	630.75	0	133.75	82.95	216.7
PS27 Eldoret	267	0	179	36.9	216.4

Assessment of health and safety impacts of these emissions

The ambient air quality in our facilities have minimal to no effect on customers and the general public since:

- the effects from our operations are localized and temporary
- our stations and depots are located in industrial areas

- there's controlled entry to our facilities
- bottom-loading facilities and retrofitting storage tanks with dome roofs have reduced local emissions.

Furthermore, our products strictly adhere to regional and national petroleum quality specifications, ensuring that sub-standard, high-emission products do not enter the market and cause havoc to consumers and the general public.

Biodiversity and ecosystem protection

Our pipeline infrastructure extends across diverse geographical and ecological areas where they interact with terrestrial, freshwater and coastal ecosystems. Consequently, operational activities such as excavation, maintenance works, vegetation management, access road development and infrastructure upgrades may affect surrounding ecosystems and habitats if not properly managed. Potential biodiversity-related impacts associated with our operations may include:

- Disturbance of vegetation and natural habitats along pipeline corridors and operational sites.
- Habitat fragmentation associated with linear infrastructure development.
- Soil erosion and land degradation arising from excavation or maintenance activities.
- Impacts on wetlands, river crossings and coastal ecosystems.
- Disturbance of environmentally sensitive areas during operational or maintenance activities.

Environmental management is particularly important in areas where infrastructure transverses wetlands, river systems, forests and coastal ecosystems and in areas experiencing changing land-use patterns or increasing settlement activity. Stakeholder engagement undertaken during the materiality assessment process highlighted continued stakeholder interest in environmental management, ecosystem protection, land-use management and environmental stewardship surrounding operational infrastructure.

Guided by national and international environmental regulations, we integrate biodiversity and ecosystem considerations into infrastructure planning, environmental management and operational decision-making processes to minimise ecosystem disturbance and support long-term environmental resilience around our infrastructure network.

Several of our operational sites are adjacent to protected areas or areas of high biodiversity value outside protected areas. These include

- Mombasa Pump station (PS 1) and Kipevu Oil Terminals (PS 14) that are close to the Indian ocean and related mangrove ecosystems, estuaries and coastal habitats.
- Maungu Pump Station (PS 3), Manyani Pump Station (PS 4) and Mtito Andei Pump Station (PS 5) which are adjacent to the Tsavo ecosystem (Tsavo East and Tsavo West National Parks) and related wildlife corridors and dispersal areas.
- Pipelines crossing rivers such as R. Athi, R. Tsavo, and R. Galana.
- L. Victoria

These protected areas are home to several animal and bird species listed as endangered in the IUCN red list and/or the Kenya National Conservation status. The Kenyan coast along the Indian Ocean is specifically important for coral reef growth and is habitat to several turtle species and the Dugong. Tsavo National Parks (East and West) provide habitat for the African

savanna elephant, the black rhinoceros, African wild dog, African lion, cheetah, striped hyena, leopard, eagle, secretary bird, vultures, and the hirola. Rivers Athi, Tsavo and Galana support species such as the Hippopotamus, the African softshell turtle, and the African skimmer while L. Victoria supports the Victoria and Singida tilapias, the Nile crocodile, African clawless otter, cranes, and hippopotamus among others.

Mitigating biodiversity harm

Our approach employs various hierarchical interventions to mitigate harm and manage biodiversity sensitivities across our operations. The exact mitigation measures required are informed by the findings of:

- Environmental and Social Impact Assessments (ESIAs)
- Environmental audits and compliance programmes.
- Environmental management plans and operational controls.
- Routine pipeline corridor monitoring and wayleave management.
- Collaboration with regulators, environmental institutions and local communities.

The mitigation measures put in place include:

- Avoiding impacts on environmentally sensitive areas where feasible.
- Preference of underground piping to avoid affecting life above the ground.
- Minimising vegetation disturbance and ecosystem impacts during operational and maintenance activities.
- Restoring disturbed areas following maintenance, rehabilitation or construction activities.
- Supporting ecosystem restoration initiatives in partnership with stakeholders and local communities.

These measures support responsible infrastructure stewardship while helping to maintain ecosystem integrity and environmental resilience across operational areas. These have been effective and no significant impacts on biodiversity in affected habitats and ecosystems have been reported.

Ecosystem and habitat protection

We are keen to maintain operational infrastructure that traverses agricultural land, settlement areas, rangelands, forests, wetlands, river crossings and coastal environments as we seek to minimise ecosystem disturbance associated with operational activities. To achieve this, we conduct systematic:

- Control vegetation management along pipeline corridors.
- Monitoring of environmentally sensitive operational areas.
- Erosion prevention and land stabilisation interventions.

- Controls of excavation and maintenance works.
- Management of operational activities near water bodies and wetlands.
- Restoration of disturbed areas following infrastructure works, where applicable.

Environmental monitoring and operational inspections help identify areas requiring additional mitigation measures, rehabilitation or ecosystem protection interventions. Environmental management systems implemented across our operations are guided by EMCA, NEMA and ISO 14001:2015 requirements, which include groundwater monitoring, effluent quality assessment and environmental inspections across operational facilities and environmentally sensitive areas.

Preventing operational incidents and maintaining infrastructure integrity are also important components of protecting surrounding ecosystems and biodiversity-sensitive environments connected to our operational footprint.

Restoration and ecosystem rehabilitation initiatives

Environmental restoration and rehabilitation form an important component of our broader environmental stewardship approach. During the reporting period, we continued to support ecosystem restoration initiatives aimed at strengthening ecological recovery, improving environmental resilience and rehabilitating degraded ecosystems within areas connected to our operational footprint.

Mangrove restoration at Tudor Creek

In partnership with Community Forest Associations (CFAs), the Kenya Forest Service (KFS) and local stakeholders, we supported restoration activities at Jomvu Kuu Creek in Mombasa County to rehabilitate degraded mangrove ecosystems and strengthen coastal ecosystem resilience. Mangrove ecosystems play an important ecological role by:

- Supporting biodiversity and marine ecosystems.
- Stabilising coastal environments and shorelines.
- Supporting ecosystem resilience and watershed protection.
- Enhancing ecological recovery within degraded coastal environments.

During the reporting period:

- More than 209,000 mangrove seedlings were planted as part of restoration activities at Jomvu Kuu Creek.
- Restoration activities were implemented in collaboration with CFAs and environmental stakeholders as part of broader coastal ecosystem rehabilitation initiatives.

These initiatives contribute to the rehabilitation of degraded coastal ecosystems and strengthen environmental resilience within operational areas near the coastline.

Forest restoration and afforestation initiatives

We also supported terrestrial reforestation and afforestation initiatives across inland operational areas and degraded ecosystems through partnerships with environmental agencies, local communities and institutional stakeholders.

Key initiatives implemented during the reporting period included:

- Tree planting and greening initiatives across operational areas, schools, and station locations, including Samburu, Manyani, Mtito Andei, Makindu, Konza and Sultan Hamud.
- Environmental conservation activities supporting rehabilitation of degraded landscapes and strengthening ecosystem resilience within operational areas and surrounding communities.
- Reforestation initiatives involving the planting of terrestrial tree seedlings in partnership with environmental stakeholders and local communities.

These initiatives support ecosystem rehabilitation, erosion prevention, soil conservation and long-term environmental resilience across operational and surrounding community landscapes.

Protecting ecosystems and maintaining environmental resilience remain important components of our operational stewardship responsibilities. As we continue to maintain and modernise strategic petroleum infrastructure, we remain committed to integrating biodiversity considerations into infrastructure planning, operational management and rehabilitation activities. Through collaboration with regulators, environmental institutions, local communities and other stakeholders, we will continue strengthening ecosystem protection, rehabilitation and responsible land stewardship across the areas in which we operate.

Asset and pipeline integrity and safety

Maintaining the integrity, safety and reliability of our pipeline and terminal infrastructure is fundamental to ensuring safe operations, protecting communities and maintaining continuity of fuel supply across Kenya and the wider East African region. Our pipeline network, pumping stations, depots, and associated facilities are critical energy infrastructure valued at more than KES 100 billion and play an important role in supporting energy security and economic activity in the region.

Since petroleum products are flammable and potentially hazardous, failures affecting pipeline systems, storage infrastructure or terminal operations may expose employees, contractors, surrounding communities and infrastructure to significant safety and operational risks. Potential consequences may include fires, explosions, loss of primary containment, operational disruptions and interruptions to fuel transportation and storage operations.

The integrity of our infrastructure remains critical and diverse measures have been put in place to prevent vandalism, encroachment, loss of primary containment, and/or the occurrence of critical incidents across our infrastructure network.

We apply an integrated asset integrity and process safety management approach designed to strengthen the reliability and sustainability of our operations. This approach combines engineering controls, operational monitoring systems, preventive maintenance programmes, infrastructure surveillance, safety management systems and emergency preparedness measures.

Integrated asset integrity approach and mechanisms

i. Operational reliability through inspection and preventive maintenance

Maintaining the integrity and reliability of our pipeline infrastructure requires continuous inspection, monitoring and preventive maintenance across operational facilities and pipeline systems. This management approach focuses on preventing loss of primary containment and reducing the likelihood of critical operational incidents by identifying and addressing infrastructure defects early.

Part of our preventive maintenance regime is the use of cleaning and inspection Pipeline Inspection Gauges (PIGs). In-line inspection (ILI) intervals are based on report outcomes and computed corrosion growth rates, with shorter intervals adopted if corrosion growth rates are high to allow prompt risk management. On the other hand, however, cleaning pigging is undertaken by the operations department on a quarterly basis across all lines to displace debris and settled water. Smart PIG technology supports identification of structural defects and integrity risks such as:

- Corrosion.
- Cracks.
- Dents or deformation within the pipeline system.

Early identification of integrity risks enables maintenance teams to implement corrective actions before defects escalate into pipeline failures or operational disruptions.

ii. Digital monitoring and operational control systems

To strengthen operational oversight and improve the reliability of our infrastructure network, we continue to invest in operational monitoring and control technologies such as:

- a) The Supervisory Control and Data Acquisition (SCADA) system that provides for centralised monitoring and control of pipeline operations across the network. Key functions of the SCADA system include:
 - Real-time monitoring of pipeline operations.
 - Remote and automatic shutdown functions configured as part of the pipeline protection and emergency shutdown architecture.
 - Alarm indication of abnormal pressure and flow conditions, with interfaces to dedicated leak-detection functions where configured.
 - Automated operational alarms and event notification.
 - Remote access to operational data and system monitoring.
- b) Field instrumentation and sensors installed along the pipeline support monitoring of pressure, flow and abnormal operating conditions. These systems strengthen operational visibility and support rapid response where anomalies are identified.
- c) A 96-core fibre-optic cable installed along the pipeline network also supports operational communication and monitoring capabilities across infrastructure systems.

iii. Clear right-of-way demarcation

We maintain clearly demarcated pipeline corridors using bollards and concrete markers installed at regular intervals along pipeline routes. These markers support visibility of pipeline locations during routine monitoring, construction activities and emergency response situations. Markers installed along the pipeline network include:

- Boundary markers indicating the extent of the pipeline wayleave.
- Aerial markers supporting aerial surveillance and location identification.
- Cathodic protection markers identifying corrosion protection systems installed along buried pipelines.

These measures help reduce the risk of accidental interference and damage arising from construction activities or land use near pipeline infrastructure.

iv. Creating awareness at the community level

We engage communities and local stakeholders along pipeline corridors to strengthen awareness of pipeline safety requirements and reduce risks associated with unauthorised activities such as unauthorised excavation activities, illegal tapping, encroachment along pipeline wayleaves and other forms of interference. These activities expose pipeline infrastructure to significant integrity and safety risks and may also increase the likelihood of operational incidents, disrupting fuel transportation operations. Therefore, protecting pipeline corridors and operational infrastructure from third-party interference, vandalism and encroachment is an important component of maintaining asset integrity and operational safety.

To this front, we are proud of our community champions who help with regular monitoring and reporting of suspicious activities along the pipeline corridor.

v. Pipeline surveillance and monitoring

We conduct both aerial and ground surveillance activities across the pipeline network to support early detection of encroachments, unauthorised activities and integrity risks. Our surveillance activities include:

- Aerial inspections using low-flying helicopters.
- Ground patrols conducted by security personnel and contracted guards.
- Site inspections where developments are proposed near pipeline infrastructure.

Where community development projects are approved near operational infrastructure, our engineers conduct site assessments and communicate safety requirements relating to excavation, machinery use and activities within the pipeline wayleave.

Wayleave management and protection from encroachment and vandalism

Encroachment

Protecting pipeline corridors and maintaining clear wayleaves are important for operational safety, infrastructure integrity and public protection. Continuous monitoring is particularly important as areas experience population growth, urban expansion, and land-use changes. Specifically, population growth makes encroachment along pipeline corridors a significant operational and safety concern. Potential risks associated with encroachment and unauthorised activities near pipeline infrastructure include:

- Increased public exposure to operational hazards like fires and explosions.

- Damage to pipeline infrastructure.
- Interference with maintenance and emergency response access.
- Increased risk of product theft and vandalism.
- Restricted operational access to infrastructure corridors.

Various wayleave management activities are implemented to reduce/stop incidents of public encroachment, such as:

- Routine patrols and inspections of pipeline corridors.
- Helicopter surveillance of the wayleave.
- Monitoring of encroachment and unauthorised activities near infrastructure.
- Stakeholder engagement with affected communities and landowners.
- Coordination with county governments, National Government Administration Officers (NGAO) and security agencies.
- Public awareness initiatives relating to pipeline safety and corridor protection.
- Mapping and monitoring of high-risk encroachment areas.

Where encroachment and illegal activities are identified, KPC PLC is mandated to execute critical safety enforcement operations, in collaboration with local stakeholders and leaders. These actions focus on providing evacuation notices to affected communities and removing illegal structures encroaching on highly flammable petroleum wayleaves. In 2023/24, thirty (30) notices were issued to encroachers along the pipeline right-of-way in Nairobi, covering whereas eighty (80) notices were issued to encroachers along the Eastern and Western sections of the pipeline right-of-way in 2024/25. Several encroachment cases were also identified in the year 2025/26, triggering sensitization operations across fourteen Counties. We continue to partner with local county leadership to advocate for the safe, structured relocation of affected traders into legal, designated market spaces.

Pipeline vandalism and illegal fuel tapping, and their impacts

While no vandalism or cases of illegal tapping have been experienced in the last 3 years, we remain vigilant and continue to sensitize our communities on the dangers associated with such incidents. These activities often result in

- Product losses
- Operational disruptions that impact national and regional economic activities
- Environmental contamination as a result of hydrocarbon release into the air, soils and underground water aquifers.
- Safety risks due to possible fires and/or explosions.

Going forward, our focus remains prioritizing proactive community sensitization, regular right-of-way surveillance, and coordinated action with local stakeholders and government agencies to safeguard critical energy infrastructure, protect communities, and ensure the reliable supply

of petroleum products across Kenya and the wider East African region. We are keen on balancing strict safety regulations with empathetic stakeholder engagement to ensure that national economic hubs remain secure and free from preventable hazards. We believe that strengthening public awareness programmes about the high risks associated with activities along fuel transit paths will promote safety and protect thousands of lives from potential industrial disasters.

Environmental incident management

Environmental incidents such as spills, leaks or accidental discharges are recorded, investigated and managed through our incident management and emergency response systems. Where incidents occur, response procedures are implemented to:

- Contain the release.
- Recover spilled product where feasible.
- Prevent migration of contaminants.
- Assess environmental impacts.
- Implement remediation and restoration measures.
- Implement corrective actions to reduce recurrence.

We are proud to report that the number of environmental spills has reduced by 50% in the last year, with most incidents occurring within bunded or paved areas. As a result, these spills have minor to moderate severity and are remediated immediately as part of routine incident closure. Within the last three years, only one spillage reached a water body due to a minor release of product from the spur line to SOT at PS 14. No contamination was reported from this incident. We are proud that we can now track product volumes recovered from spill incidents, with 75% and 100% of all spilled products recovered in 2024/25 and 2025/26, respectively (Table 17).

Our EMS requires that each incident is investigated to determine root causes, assess environmental impacts and identify opportunities to strengthen preventive controls and operational procedures. This supports trend analysis, continuous improvement and reduction of recurring operational risks across our infrastructure network.

Table 17 Environmental spills and remediation

Indicator	Unit	2023/2024	2024/25	2025/2026
Number of environmental incidents/spills	Number	27	24	12
Volume of product released	m ³	24	24.19	0.445
Volume of product recovered	m ³	Not quantified	18.19	0.445
Number of spills reaching soil	Number	2	0	3
Number of spills reaching water bodies	Number	1	0	0
Sites requiring environmental remediation	Number	0	0	0

Pillars to Effective Environmental incident management

i. Collaborative emergency response

Whether on land or in the waters, effective spill management requires coordination across multiple stakeholders. We participate in collaborative industry and national spill response arrangements together with agencies and organisations involved in environmental protection and petroleum handling operations. These collaborative arrangements support coordinated response capability, resource mobilisation and incident management in the event of significant spill incidents affecting land, water bodies or marine environments.

We work closely with regulatory agencies, emergency response authorities and industry partners involved in petroleum handling and environmental protection. This includes collaboration with the Kenya Ports Authority (KPA), Kenya Petroleum Refineries Limited (KPRL), the Kenya Maritime Authority (KMA), the Oil Spill Mutual Aid Group (OSMAG), the National Environment Management Authority (NEMA) and other relevant agencies involved in spill preparedness, emergency response and environmental protection.

We participate in joint preparedness activities including spill response drills, emergency exercises, equipment inspections, surveillance, response coordination and operational readiness initiatives designed to strengthen preparedness for potential marine pollution incidents affecting coastal and marine environments.

ii. Compliance to strong regulatory frameworks and international standards

Our asset integrity and safety management practices are guided by national regulatory frameworks, internationally recognised management standards and continuous improvement principles applicable to petroleum transportation and storage infrastructure. Key regulatory frameworks governing our operations include:

- Occupational Safety and Health Act (OSHA), 2007.
- Environmental Management and Coordination Act (EMCA).
- Guidelines and requirements issued by the Energy and Petroleum Regulatory Authority (EPRA).

We obtain the required operational licences and conduct both internal and external audits to verify compliance with regulatory requirements and strengthen operational performance.

Our operations are also supported by internationally recognised management system certifications, including:

- ISO 45001:2018 Occupational Health and Safety Management Systems.
- ISO 14001:2015 Environmental Management Systems.
- ISO 17025:2017 Laboratory Testing Competence.
- ISO 9001:2015 Quality Management Systems.

Findings from audits, inspections and incident investigations are used to strengthen operational procedures, improve process safety controls and enhance infrastructure reliability across the network.

iii. Operational safety procedures

Maintaining safe operating conditions across pipeline systems, depots and terminal facilities is essential to preventing operational incidents and protecting employees, contractors, surrounding communities, environment and infrastructure.

We apply operational safety controls across petroleum handling, storage and transportation activities, including:

- Permit-to-work systems for high-risk operational activities.
- Operational isolation and shutdown procedures.
- Fire detection and firefighting systems.
- Safety inspections across operational facilities.
- Contractor safety management and operational induction programmes.
- Routine monitoring of operational conditions and safety controls.

These measures support process safety management and help reduce the likelihood of fires, explosions and other critical operational incidents.

iv. Safety culture, training and operational preparedness

Maintaining pipeline and terminal safety requires a strong organisational safety culture supported by continuous training and operational preparedness. We promote a proactive safety culture through:

- Mandatory safety induction programmes for contractors.
- Regular safety training for employees.
- Specialised training for technical and operational teams.
- Quarterly safety awareness programmes and safety weeks.

Training programmes cover areas such as emergency response, first aid, incident investigation, firefighting and operational safety procedures. These initiatives strengthen staff preparedness and support effective response capability during operational incidents and emergencies.

v. Partnerships for the goal

Lead by the KPC Foundation, collaborated with environmental institutions, government agencies, community organisations and other partners to carry out restoration initiatives in various ecosystems. These included the Kenya Forest Service (KFS), Community Forest Associations (CFAs), Bidii Creek Conservancy, Kenya Defence Forces, the Kenya Navy, the

Greens of Africa Foundation and the Equity Group Foundation. These initiatives support community participation in ecosystem restoration, strengthen environmental awareness and promote shared stewardship of natural resources in operational areas.

Our engagement with local communities also supports improved understanding of environmental risks associated with pipeline infrastructure and encourages participation in environmental protection initiatives along the pipeline corridor.

vi. Continuous improvement

Findings from environmental monitoring and stakeholder engagement activities are incorporated into environmental management plans, operational controls and restoration programmes to support continuous improvement in environmental performance. Additionally, we maintain emergency response procedures designed to support rapid response to operational incidents, including:

- Pipeline leaks and failures.
- Fires and explosions.
- Product loss or operational shutdowns.
- Security incidents affecting operational infrastructure.
- Other critical operational emergencies.

Through continuous improvement in safety awareness, infrastructure monitoring, operational controls and incident prevention measures across our operations, we have consistently reduced the number of incidents, as shown table 18 below. We continue to strengthen environmental monitoring systems, incident reporting processes and operational data management to improve environmental visibility, support regulatory compliance and enhance future sustainability disclosures.

Table 18 Critical incidents

Indicator	2023/24	2024/25	2025/26
Product spillage	28	24	12
Truck contamination	0	0	1
Equipment/Facility damage	15	12	2
Motor vehicle damage	3	2	5
Fire incidents	4	6	4
Contamination incidents	1	1	1
Electricity/power-related incidents	0	2	2
Total incidents	51	47	27

SECTION 7: SOCIAL RESPONSIBILITY

Employment practices, labour rights and human rights

At KPC PLC, we are committed to maintaining employment practices aligned with Kenyan labour laws, internal policies and recognised labour and human rights principles. Our workforce management approach emphasises responsible employment practices, fair labour conditions and great professionalism in our interactions with both employees and non-employee workers. We believe that a healthy workplace is fundamental to operational performance, workforce wellbeing and long-term organisational sustainability – especially in a technically intensive and operationally sensitive business like ours.

Our workforce includes direct employees engaged in engineering, pipeline operations, maintenance, safety, laboratory services, security, logistics and administrative functions as well as contractors and service providers. These play a critical role in supporting the safe, reliable and efficient transportation and storage of petroleum products across our infrastructure network through both administrative and specialised operational and technical activities across KPC-controlled sites.

Stakeholder engagement undertaken during the materiality assessment process highlighted workforce wellbeing, fair employment practices, diversity and inclusion, employee development, workplace safety and responsible labour practices as important stakeholder considerations. Employees, regulators and other stakeholders also emphasised the importance of maintaining safe working conditions, promoting equal opportunity, supporting employee wellbeing and strengthening workforce capability across the organisation.

Human rights and responsible workplace practices

We are committed to maintaining a workplace founded on dignity, fairness, respect and ethical conduct. Human rights considerations are integrated into our internal policies, operational procedures and workforce management practices.

Our Code of Conduct and internal governance frameworks promote:

- Respect for employees and workers.
- Ethical workplace conduct.
- Fair treatment and equal opportunity.
- Confidential reporting of workplace concerns.
- Compliance with applicable labour and employment laws.

Human rights considerations are also integrated into contractor management, workplace safety procedures and operational controls applicable to KPC-controlled sites. We continue to

strengthen awareness of ethical conduct, workplace respect and responsible labour practices through employee communication, internal sensitisation programmes and governance processes across the organisation.

Diversity, equity and inclusion

Equity, diversity and inclusion remain important components of our workforce management approach. Our commitment to diversity and inclusion is reflected in our recruitment practices, internal policies and workforce development programmes aimed at promoting fairness and equal opportunity across the organisation. By creating a workplace where individuals feel respected and valued, we empower all employees to contribute their skills and perspectives across various operational and leadership functions.

We have a zero-tolerance policy against violence, harassment, discrimination, and abuse against any employee, regardless of age, sex, tribe or gender. We seek to maintain a workplace where employees feel respected, valued and empowered to enable them contribute their skills and experience across the organisation. These employment practices support workforce stability, operational continuity and long-term capability development across operational and administrative functions.

We have taken great strides to improving the inclusion of diverse groups within our workforce including incorporating of an affirmative action on diversity and inclusion in our recruitment policy and establishing a Disability Mainstreaming Committee and Policy Document.

So far, we have achieved a 1:1.8 ratio of female vs male employees and have employed individuals from at least 28 tribes across Kenya. We are keen to bridge this gap through inclusive recruitment exercises that promote the entry of women into our workforce. In 2023/24 we hired 15 females and 32 males while in 2024/25 we hired 6 female and 7 males.

During the reporting period, we employed 1377 employees across the organisation compared to 1,426 and 1,464 employees in 2024/25 and 2023/24 respectively, with the workforce changes reflecting normal operational changes such as retirements, resignations and contract transitions. Women represent 35.7%, 67%, and 57% of the workforce, senior management, and board of directors respectively, reflecting continued progress towards gender parity within the organisation.

While we have made progress towards gender parity, we recognise the urgent need to accelerate the inclusion of persons with disabilities and young people within KPC PLC. Currently, only 4.07% of total workforce identifies as persons with disabilities while persons below 50 years represent 60% of all employees. This metrics can be explained by the technical nature of our work, need for specialized skills, low employee turnover rates, and previous periodic government-wide freezes on new public service recruitment among others.

The specifics of our diversity across gender, age, employment category, and disability are shown in table 19.

Table 19 Workforce diversity by gender, age group, employment type, and disability status

Category	2023/24	2024/25	2025/26
Gender diversity			
Male	945	917	885
Female	519	509	492
Total	1464	1426	1377
Age group diversity			
18-35 years	218	212	193
36-45 years	372	321	301
45-55 years	667	666	640
Over 55 years	207	227	243
Workforce distribution by employment type			
Temporary	68	74	36
Contract	67	68	31
Contract EE	48	50	56
P&P	1281	1234	1254
Disability status			
Employees with disability	49	54	56

Employee turnover and workforce movement

To support workforce planning, succession management and operational continuity across the organisation, we monitor workforce movement every year. We track the number of employee departures (and the reasons) as well as new hires, disaggregated by sex. Across the last three years, the employee turnover rate has consistently been below 5%, with leading reason for employee departures being retirement. The company has had a relatively stable workforce over the last three years as a result of government restrictions on recruitment in State corporations but also the specialised nature of our operations and the use of contractors and outsourced services.

Charts 1 and 2 below highlight the number of new hires (disaggregated by gender) and exits across the last three years, as well as a breakdown of the reasons for employee exits.

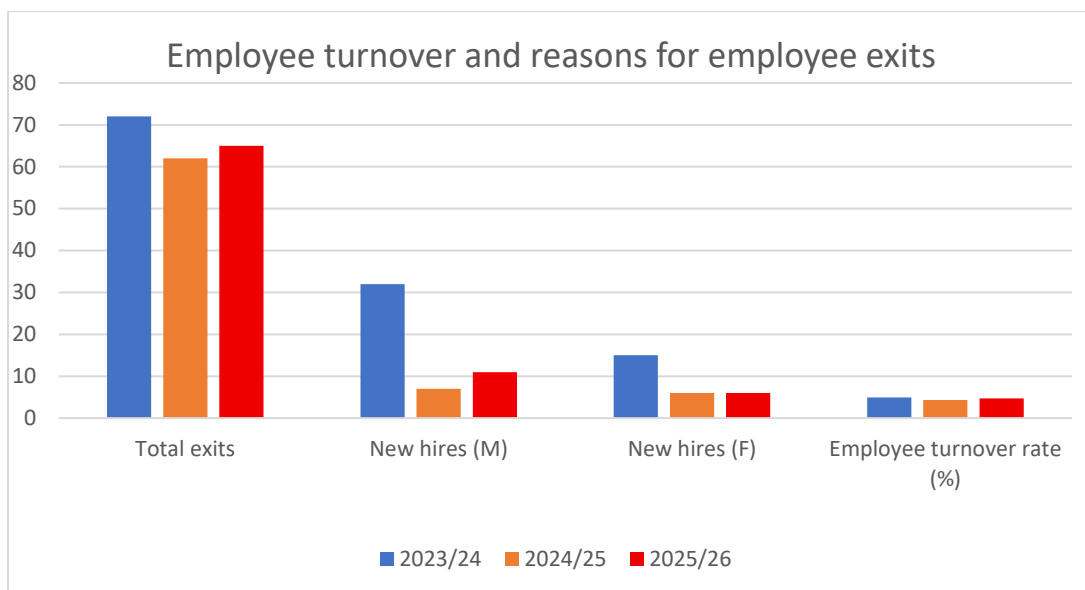


Chart 1 Employee turnover statistics

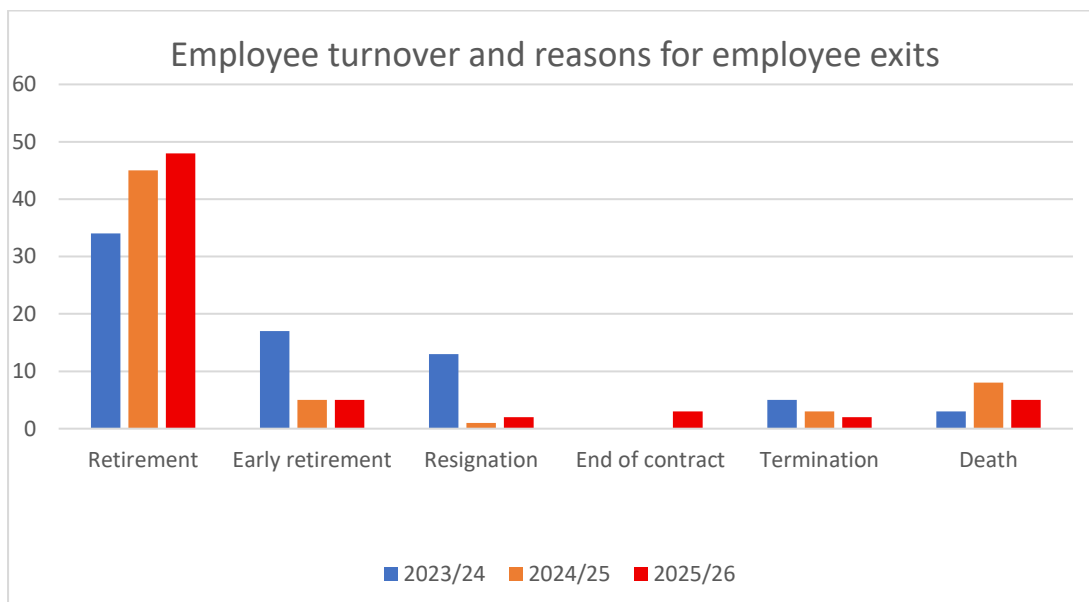


Chart 2 Reasons for employee exits

Labour rights and collective bargaining

We do not tolerate forced labour, child labour, workplace harassment, discrimination or abusive workplace practices within our operations and across KPC-controlled sites. We are committed to maintaining fair employment practices, ethical conduct and equal opportunity across the organisation - guided by Kenyan labour laws, internal policies, our Code of Conduct and recognised labour rights principles.

Pertinent to this commitment is our respect to employees' rights to freedom of association and collective bargaining and over 40% of our workforce is represented through collective

bargaining agreements with the Kenya Petroleum Oil Workers' Union (KPOWU) (Table 20). The union offers a platform through which covered employees negotiate for fair employment terms and benefits, advocate for enforcement of workplace safety, and engage the company in formal negotiations on signed agreements and resolution of any long-standing workplace grievances.

Table 20 Collective bargaining coverage

KPC Unionisable employees	2023/24	2024/25	2025/26
Number	687	642	563
Percentage	46.93%	45%	40.89%

For employees not covered by collective bargaining agreements, terms and conditions of employment are determined through applicable Kenyan employment legislation, KPC's Human Resources Policy and Procedures Manual, approved remuneration and grading frameworks, and individual employment contracts. These arrangements establish terms relating to remuneration, working hours, leave, benefits, occupational health and safety, performance management and other conditions of employment. KPC ensures that such arrangements meet applicable statutory minimum requirements, while providing employees with access to established grievance and employee relations mechanisms.

Employees may raise workplace concerns through established grievance and reporting mechanisms, including internal reporting channels and the Whistleblower Policy, which supports confidential reporting of unethical conduct, workplace concerns or suspected policy violations without fear of retaliation.

Employee wellbeing and benefits

We provide employee benefits designed to support employee well-being, financial security and work-life balance throughout employees' careers at KPC. This is especially important for a stable, motivated and resilient workforce operating within a technically intensive and high-responsibility environment.

Our employee wellbeing programs cover:

- Occupational health support.
- Employee wellness programmes.
- Workplace safety initiatives.
- Psychosocial wellbeing support.
- Employee engagement and awareness programmes.

In addition, we offer the following benefits to permanent employees, and select contractors and temporary employees, depending on the terms of engagement:

- Medical insurance cover.
- Pension contributions.
- Paid parental leave.
- Annual leave and statutory entitlements.
- Subsidized housing for employees.
- KPC PLC gym, located at Kenpipe plaza.

Whereas some benefits are universal to all staff, some are exclusive to full-time employees while others differ in scope of coverage between permanent and temporary staff. For example, the company gym at Kenpipe plaza is free to all staff and their dependents but our housing units are only available to permanent employees at a first-come-first-served basis regardless of the job group. Full-time employees receive a comprehensive medical cover and qualify for benefits such as housing, commuter, airtime, and other job-related allowances, depending on the organization's policy unlike the temporary employees.

Parental leave

We perceive parental leave as critical tool for supporting employee wellbeing, engagement, and loyalty. Our parental leave policy complies with Kenyan labour standards under the Employment Act, and entails 90 calendar days (3 months) of fully paid maternity leave to female employees, and 14 calendar days (2 weeks) of fully paid paternity leave to male employees, with full regular pay. Figure 4 shows the number of male and female employees who have taken parental leave over the last few years. Staff that take parental leave are assured of the right to return to the same or an equivalent position without loss of privileges or annual leave.

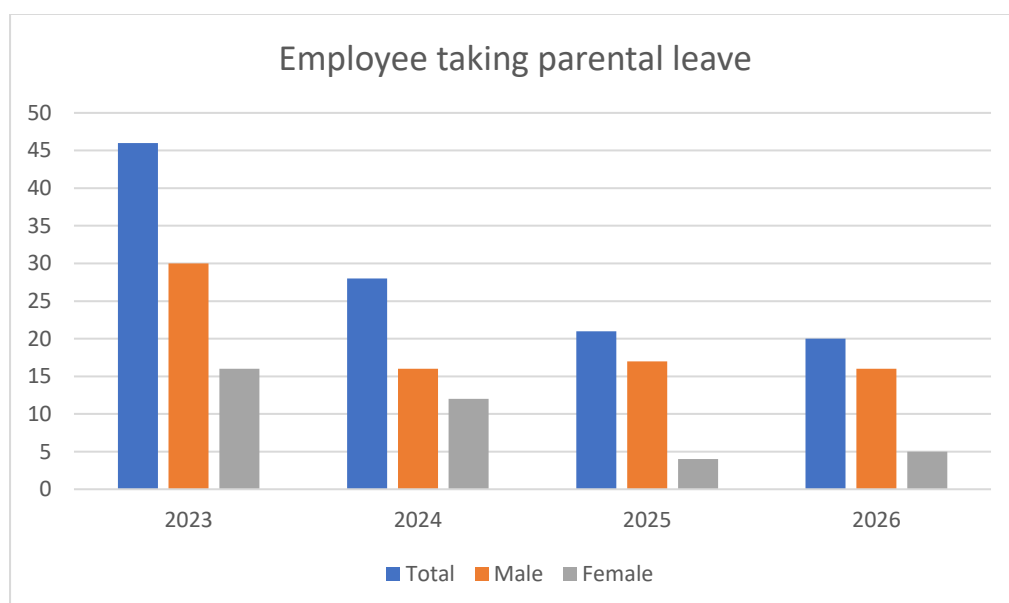


Figure 4 Number of employees taking parental leave

Capacity building and upskilling

We support the upskilling of our employees through capacity building Workshops and training courses. The courses, either developed internally or conducted by external institutions, are availed free or at subsidized costs to all relevant employees.

Examples of the courses provided during the last two years include:

- Defensive Driving.
- Customer care training.
- Records management.
- Electronic Document Management System (EDMS).
- Advanced Supervisory & Management Skills.
- Effective Communication and Report Writing.
- Data protection.
- Strategic Supply Chain Management.
- Financial planning and budgeting.
- Mental Health & Work-life balance.
- Emotional Intelligence.
- Leadership.
- Human Resource Management.
- Environmental Social & Governance.
- Accounting.
- Public Relations & Marketing.
- Business analytics.
- Maritime Law and the blue economy.
- Cybersecurity.
- Condition-based monitoring & commissioning.

Upskilling of our employees has been critical in enabling us to adapt to technological changes, improve efficiency and enable better cross-functional collaborations. We have also been able to continuously boost employee engagement and mitigate high turnover rates.

In addition, we support the participation of our employees into professional bodies relevant to their roles by catering for their initial registration costs, regular subscription fees and annual practicing certificates, and costs associated with Continuous Professional Development (CPD) trainings. On average, every employee goes through up to 51 hours of training per year.

Employee grievances

KPC recognizes that an effective grievance management system is an important component of a positive, respectful, and inclusive workplace. As such, employees may, from time to time, raise concerns relating to their employment, working conditions, workplace relationships, remuneration and benefits, health and safety, career development, or other aspects of their employee experience. We provide accessible and trusted channels through which these concerns can be raised. Consequently, we are able to identify workplace issues early, address them fairly, and strengthen employee relations.

Table 21 shows the number of grievances received for the last three years, with the grievance rate being way below 1%. The nature of the employee grievances predominantly involves non-payment or incorrect payment of allowances such as overtime, standby allowance, and commuter allowance, with occasional queries on imprest deductions and union dues. In almost

every case, grievances arise not because the entitlement is not disputed; but due to delays in the verification and approval process to sign-off logged claims.

Our grievance management processes are designed to promote confidentiality, impartiality, transparency and timely resolution, while respecting applicable employment legislation, internal policies, collective bargaining arrangements and employees' rights to representation. We believe that employee grievances are an important source of organizational learning as they provide insights into what policies, management practices, communication, working conditions or organizational processes may require improvement.

Table 21 Number of employee grievances received

Indicator	2023/24	2024/25	2025/26
Employee grievances reported	14	15	13
Employee grievances resolved (%)	100	100	100
Labour-related complaints reported	0	0	0
Human rights-related complaints reported	0	0	0

Proper grievance management is particularly relevant during periods of organizational transformation, where effective communication and employee engagement are essential to maintaining trust and ensuring that change is managed responsibly. To achieve this, we are keen to provide additional engagement and meaningful support to workers in advance of significant operational changes.

Our approach prioritizes sensitizing, empowering and including employees before, during and after significant operational changes. We conduct sensitization forums and discussions through meetings, staff forums, surveys, and workshops to obtain employees' feedback before decisions are finalized. The engagements target affected parties based on the nature and impact of the proposed change, and output from engagement sessions is documented, reviewed and, where appropriate, incorporated into the implementation plan. Where suggestions cannot be adopted, the reasons are communicated transparently.

To empower employees respond to change, they are informed of proposed significant operational changes as early as practicably possible including the reasons for the changes, expected timelines and potential implications. Employees are also provided with training, coaching and other support to enable them to adapt to the new operational arrangements. Continuous feedback loops are established throughout change management, allowing employees to raise concerns, seek clarification and provide feedback.

To promote transparency and fairness, changes affecting employees are implemented objectively and consistently, in accordance with applicable employment laws, collective agreements, HR policies and contractual obligations. The effectiveness of operational changes is subsequently monitored and corrective measures taken where necessary.

Supporting employees and communities for a Just and Inclusive Transition

Kenya Pipeline Company recognizes that the transition to a low-carbon economy should be undertaken in a manner that protects workers, supports local communities and maintains energy security. While the Company has not yet adopted a formal Just Transition Policy, it remains committed to managing organizational change responsibly through continuous employee engagement, skills development, occupational health and safety, fair labour practices and stakeholder consultation.

Several existing commitments contribute to supporting workforce and community readiness. These are:

- Skills development – we invest significantly in employee capacity building programs and industry-wide upskilling through the Morendat Institute of Oil and Gas (MIOG).
- Employment protection and decent work – our Human Resource policies emphasize fair labour practices, employee engagement, and collective bargaining where applicable. These measures provide a strong foundation for managing organisational change.
- Community investment - we support communities through investments in education, healthcare, environmental conservation programs, water access, and emergency preparedness training. Although not specifically linked to decarbonization, these initiatives contribute to strengthening community resilience.
- Stakeholder engagement for pipeline construction, maintenance projects, Environmental and Social Impact Assessments (ESIAs), land access and compensation processes, and sustainability reporting. This provides mechanisms for consulting affected communities when significant operational changes occur.
- Local economic development through objective local procurement and employment as well as engagement of local contractors during infrastructure projects. These practices help distribute economic benefits to host communities.

Looking forward, we will reinforce our commitment to ensuring a just transition by establishing a formal Just Transition Framework and monitoring social impacts arising from climate transition policies. This approach will support the safeguarding the wellbeing of employees, contractors, suppliers and the communities in which KPC operates.

Occupational health, safety and wellbeing

The safe transportation and storage of petroleum products is fundamental to our operations. Our pipeline network, depots, pumping stations and associated infrastructure operate within environments where occupational hazards, operational risks and emergency situations must be managed with the highest levels of diligence, operational discipline and preparedness.

Maintaining strong occupational health, safety and wellbeing practices is therefore essential to protecting employees, contractors, visitors and surrounding communities from risks associated with petroleum transportation and storage operations, including exposure to hazardous energy, fire and explosion risks, hydrocarbon-related hazards, equipment failures and operational emergencies.

Stakeholder engagement undertaken during the materiality assessment process identified safety, emergency preparedness and occupational wellbeing as key stakeholder priorities. Employees, regulators, contractors and surrounding communities emphasized the importance of maintaining a proactive safety culture, strengthening emergency response capability and ensuring safe operating conditions across operational facilities.

We apply a prevention-based occupational health and safety approach that prioritises hazard identification, operational risk management, workforce participation, occupational health protection and continuous improvement in safety performance across the organisation.

Safety, Health and Environment (SHE) management system

Our Safety, Health and Environment (SHE) management frameworks are guided by internal operational procedures, national regulatory requirements and recognised international standards such as:

- Occupational Safety and Health Act (OSHA) 2007.
- Occupational health and safety regulations and guidelines administered by Department of Occupational Health and Safety (DOSHS).
- ISO 9001:2015 Quality Management Systems.
- ISO 45001 occupational health and safety management principles.
- Internal SHE policies, operational procedures and emergency preparedness frameworks.

This comprehensive system supports our ability to:

- Identify workplace hazards and operational risks.
- Implement preventive and corrective safety measures.
- Strengthen workforce awareness of operational hazards.
- Promote worker participation in safety management.

- Support emergency preparedness and operational resilience.
- Continuously improve occupational health and safety performance.

All our employees are covered by the OHS management system. In addition, all non-employee workers such as contractors, interns and attaches are included in our SHE programs through mandatory safety induction training, site-level safety procedures, contractor safety requirements and operational controls.

Our Safety, Health and Environment System entail the following:

i. Hazard identification

Structured inspections and audits enable the identification of work-related hazards and assessment of subsequent operational risks. Risk assessments are conducted for both routine and non-routine operational activities and are triggered by operational changes, introduction of new equipment, maintenance activities and reported incidents or near-misses.

Employees and contractors are encouraged to report hazards and unsafe conditions through established reporting mechanisms, including through the supervisor, SHE committee, Safety Observation and Corrective Action (SOCA), or confidential channels under the Whistleblower Policy.

Some of the routine activities that are useful in updating the risk register include:

- Workplace inspections.
- Safety audits.
- Operational risk assessments.
- Incident investigations.
- Safety Observation and Corrective Action (SOCA) reporting.
- Employee hazard reporting mechanisms.

The Safety Observation and Corrective Action (SOCA) dashboard allows employees to identify and report unsafe conditions, unsafe behaviours and near-miss incidents across operational sites. Figures 5 and 6 highlight the number SOCA entries reported by employees, their risk types and their categories (either unsafe conditions, near-miss incidents, or unsafe acts). Most SOCA entries relate to unsafe conditions, accounting for approximately 76% in 2023/24, 75% in 2024/25 and 81% in 2025/26 while near-miss incidents and unsafe acts account for approximately 14–16% and 8–9% of all observations, respectively. SOCA entries also reveal our high-risk operational status with over 70% of all entries categorized as medium to very high risk. The SOCA dashboard also tracks the level of risk for each entry as well as whether an entry has been assigned, resolved or in progress.

Reported hazards are investigated and corrective actions assigned to relevant departments to support timely mitigation and continuous improvement.

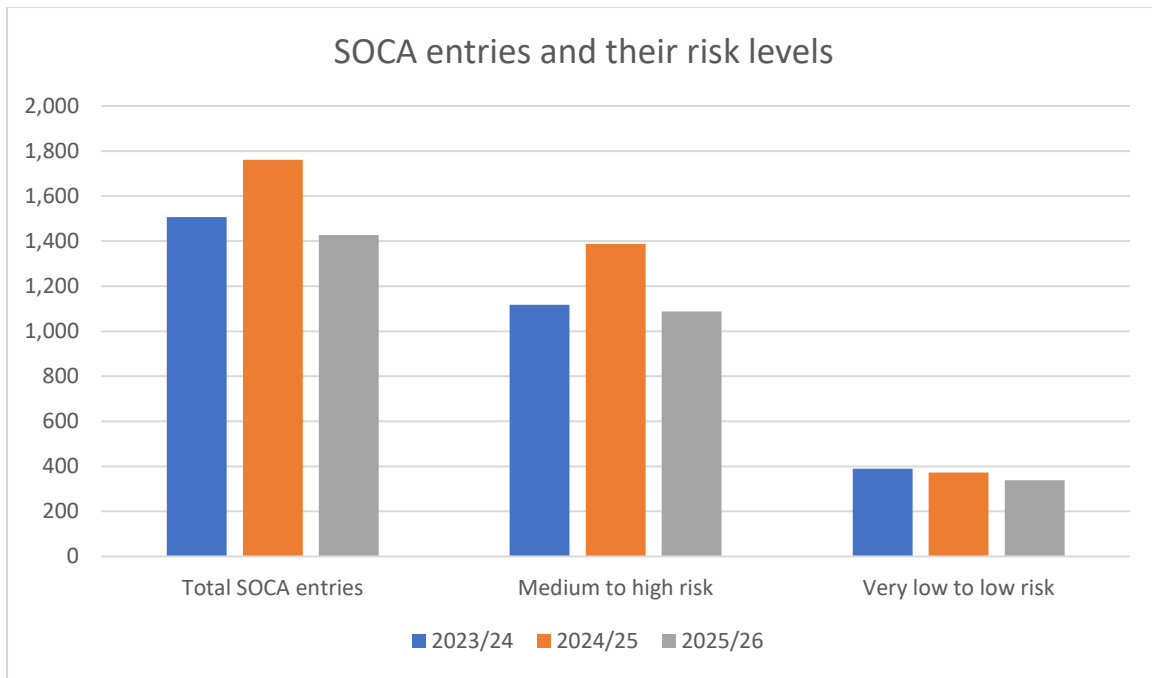


Figure 5 Risk categories of SOCA Entries

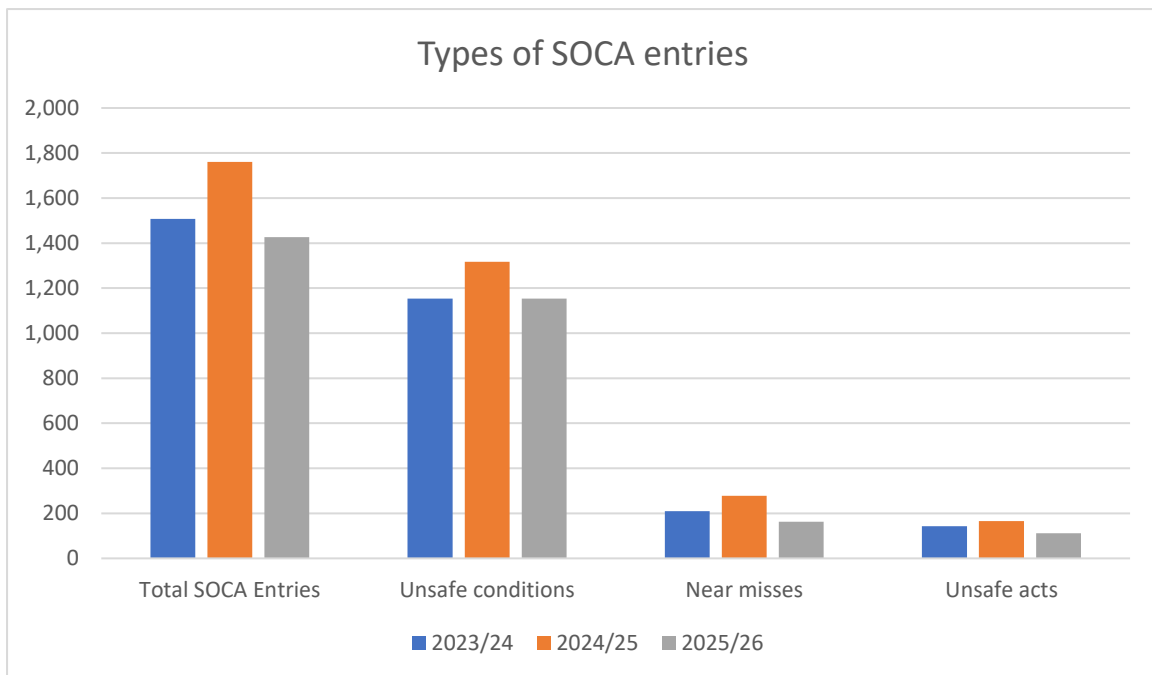


Figure 6 Types of SOCA Entries

Worker participation and safety communication

We promote a proactive safety culture in which employees actively participate in identifying risks, reporting hazards and strengthening workplace safety performance across the

organisation. Worker participation forms an important component of our occupational health and safety management approach as it supports frequent identification of hazards and continuous improvement of operational safety practices across all stations. Approximately a third of our employees are actively involved in reporting through the SOCA system as shown in figure 7.

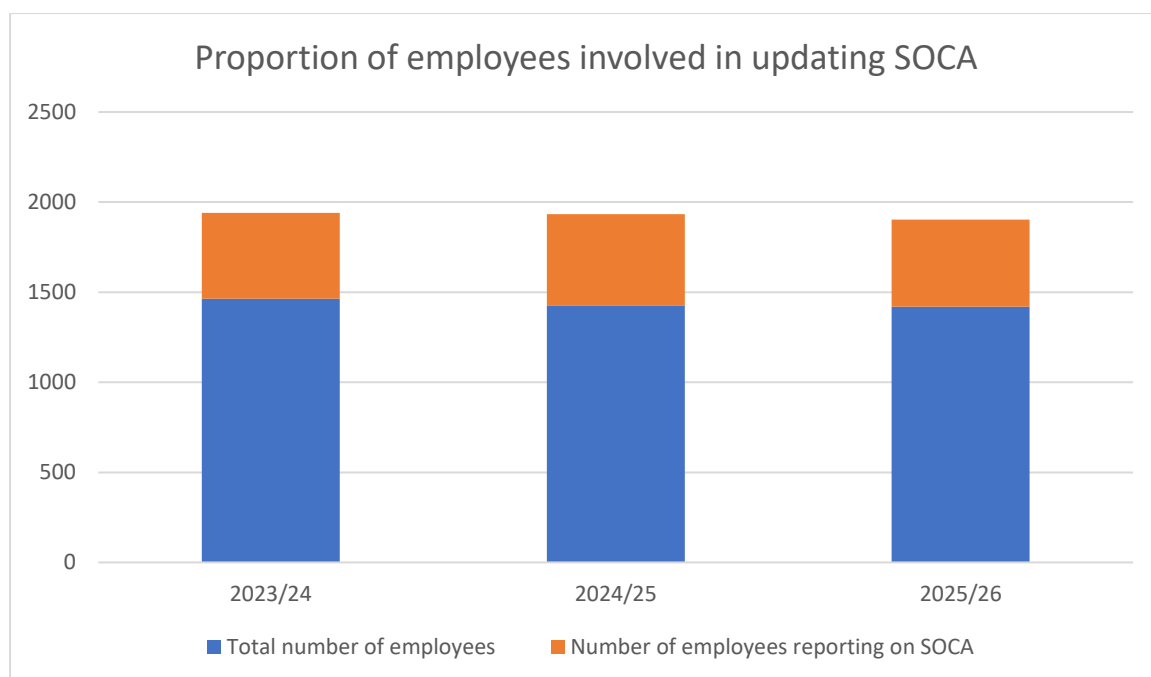


Figure 7 Proportion of employees involved in updating SOCA

In addition to individuals making entries in the SOCA platform, we have dedicated safety committees that operate across operational sites. Our safety committees contribute to:

- Reviewing occupational health and safety performance.
- Supporting incident investigations.
- Monitoring implementation of corrective actions.
- Recommending improvements to workplace safety practices.
- Promoting workforce participation in safety management.

Safety information, operational alerts and hazard awareness guidance are communicated through employee induction programmes, toolbox talks, operational briefings, workplace communication channels, safety awareness campaigns and regular safety meetings conducted across operational facilities. In particular, we reinforce safety awareness through *Safety Moments* conducted at the beginning of meetings and operational briefings. These short safety discussions encourage employees to reflect on operational risks, reinforce hazard awareness and share lessons learned across the organisation, helping to embed safety consciousness into day-to-day operations and decision-making.

Occupational health services and workforce wellbeing

Our occupational health programmes are designed to identify and manage potential long-term occupational health risks associated with operational activities, including exposure to noise, respiratory conditions, ergonomic risks and other workplace-related health conditions. We conduct annual occupational medical examinations and medical surveillance programmes in accordance with OSHA 2007 and Legal Notice No. 24 of 2005. These examinations are conducted by certified occupational health practitioners, and the results are submitted to DOSHS.

During the reporting period 844 employees underwent occupational medical examinations. 522 (62%) of the examined employees were male while 322 (38%) were female. The clinical screening results indicated that 87 of the employees (10%) had normal findings whereas 757 employees (90%) presented with at least one clinical abnormality that requires monitoring and/or follow-up interventions. No cases of fatal work-related illness were reported during the reporting period.

Table 22 highlights a list of health risk indicators identified during the last occupational medical examination:

Table 22 Health risks/conditions amongst KPC PLC employees

Health indicator	Cases	% of employees
BMI risk	661	78%
High blood pressure	271	32%
Visual conditions	150	18%
Musculoskeletal conditions	127	15%
Hearing conditions (pure tone audiometry)	63	8%
Ear, nose and throat conditions	29	3%
Respiratory conditions	15	2%
Cardiovascular conditions	4	<1%
Others	9	<1%

Employees identified with medical conditions requiring attention were referred for further medical evaluation, health monitoring and workplace risk mitigation measures where appropriate. The following Occupational health services are provided to promote employee health and wellness:

- Occupational exposure monitoring.
- Annual occupational medical examinations conducted in accordance with OSHA 2007 to identify occupational health risks
- Medical surveillance programmes that include hearing tests, respiratory assessments, visual screening and laboratory tests
- Fitness-for-work assessments to support safe performance of assigned duties

- Emergency medical response through first aid training and emergency preparedness at operational sites
- Health and wellness initiatives such as health talks on mental health.

Safety training, awareness and emergency preparedness

Safety awareness is extremely vital within the high-risk operational environment of petroleum transportation and storage. We therefore prioritize provision of structured occupational safety training programmes to employees and contractors during induction and over the course of their service at KPC PLC. We offer a variety of training courses to cover basic operational practices as well as well specific upskilling needs. The safety induction training is mandatory for all new employees and contractors before accessing work stations, to ensure understanding of operational hazards, emergency procedures and required safety controls. Other types of trainings are more targeted based on individuals' roles within the institution. Table 23 below highlights these trainings and targeted participants.

Table 23 Employee safety training

Training	2024/25	2025/26
Permit to work training	184	35
Fire Marshall Training	313	112
Incident Investigation	299	38
First Aid Refresher	61	40
Training on Leak Detection, Configuration & Testing	10	0
Chemical Laboratory Safety Practices	6	2
Airside Safety	14	5
Pressure Control Valve Training	35	2
HSE Committee	405	68

Safety for non-employee workers

In addition to our direct employees, some operational and support activities are carried out by workers who are not KPC employees, including contractors, casual labourers, and industrial attachés, engaged for specialised technical, maintenance, security and operational support services. While employed by third parties, these workers may perform work on KPC-controlled sites and are required to comply with our operational procedures, workplace standards, safety requirements and Code of Conduct.

Non-employee workers operating on KPC-controlled sites are expected to:

- Adhere to workplace health and safety requirements.
- Comply with operational and security procedures.
- Maintain ethical labour practices and professional conduct.
- Respect human rights and labour rights.
- Participate in relevant safety inductions and operational briefings.

In particular, contractors are also required to adhere to safety management guidelines and requirements such as:

- Mandatory safety induction before gaining access to work sites.
- Compliance with operational safety procedures.
- Monitoring of contractor safety performance.
- Participation in incident investigations where applicable.
- Adherence to site-level emergency preparedness and response procedures.

All non-employee workers such as contractors and interns are covered in our Safety, Health and Environment (SHE) procedures and protocols.

Safety for the Neighbouring Communities and the General Public

We are cognisant of our responsibility to minimise safety risks that could affect surrounding communities, customers and members of the public interacting with our infrastructure. Our emergency preparedness procedures and operational controls are focused on preventing hazard exposure, mitigating potential risks and minimizing the impacts of operational incidents to the general public. Potential community safety risks associated with petroleum transportation infrastructure may include:

- Exposure to pipeline leaks or fires.
- Unauthorised excavation or interference with infrastructure.
- Vandalism and illegal product tapping.
- Operational incidents affecting nearby communities or public infrastructure.

Measures taken to enhance public safety include:

- Primary pipeline protection against vandalism and encroachment.
- Emergency response procedures across operational facilities.
- Incident escalation and communication protocols.
- Coordination with external emergency response agencies.
- Public awareness programmes on pipeline safety.
- Emergency drills and operational preparedness exercises.
- Timely notifications and communication on planned operational disruptions or emergency response activities.

We strongly believe that empowering communities and collaborating with local leadership structures has improved safety outcomes across key operational areas. For instance, frequent awareness sessions and trainings improve community awareness of pipeline safety risks, enhance early detection and reporting of incidents, and strengthen community participation in safeguarding critical infrastructure.

Occupational Health, Safety and Compliance performance

Despite stringent health, safety, and environmental (HSE) protocols, operational and safety incidents remain an ongoing challenge due to gaps in proactive risk management, aging infrastructure, and unforeseen accidents. As we continue to strengthen a Safety-first culture amongst our employees, contractors and communities, we keep track of any work-related injuries and operational incidents to strengthen continuous improvement in occupational safety performance.

Work-related injuries and operational incidents

Over the past one year, several work-related injuries were reported within the various stations including, injuries involving faulty equipment, slips, trips and falls, minor fire-related injuries, falls from heights, electrocution incidents and musculoskeletal injuries. Table 24 shows the types and number of injuries reported over the last 3 years, as well as the Lost Time Injury Frequency Rate (LTIFR), Total Recordable Injury Frequency Rate (TRIFR), and Fatal Accident Frequency Rate (FAFR) for employees and non-employee workers as calculated based on 1,000,000 hours worked.

The classification of safety events is based on guidelines by the International Association of Oil & Gas Producers (IOGP) and API Recommended Practice 754 (Process Safety Performance Indicators). Falls from height are classified as a Tier 1 process safety event due to they are a high-potential event with a significant risk of fatality or serious injury in pipeline and construction operations. On the other hand, tier 2 process safety events are deemed to have lower-severity and impact. For instance, near misses that cause no injury or damage and minor contained fires with limited consequences are Tier 2 safety events.

Contractor safety presents an exceptionally high risk compared to internal staff, driven by a fatal accident rate of 3.10 as compared to 0.00 for employees. This highlights a critical opportunity to tighten contractor safety management, oversight, or site induction protocols.

Table 24 Occupational health and safety incidents

Incident class	Classification	2023/24	2024/25	2025/26
Medical Treatment Injury (MTI)	Occupational health	14	6	30
First Aid Case	Occupational health	4	2	2
Near Miss	Process safety event – Tier 2	5	5	2
Fire incidents	Process safety event – Tier 2	4	6	4
Fall from height	Process safety event – Tier 1	0	1	1
Total Recordable Injury Frequency Rate (TRIFR)		3.39	2.54	12.73
Lost Time Injury Frequency Rate (LTIFR)		0.28	0.28	0.00
Fatal Accident Frequency Rate (FAFR)- KPC staff		0.00	0.00	0.00
Fatal Accident Frequency Rate (FAFR)- Contractors		0.00	0.00	3.10

Compliance performance and Continuous improvement

We monitor compliance with applicable occupational health and safety regulations governing the industry; tracking, investigating and addressing incidents of non-compliance in accordance with recommendations made. During the reporting year, we did not have any confirmed incidents of non-compliance to environmental, occupational health and safety regulations. addressed through corrective action. However, in 2024/25, KPC faced legal fines through ELC Petition No. 9 Of 2019 and ELC Suit No. E002 of 2023, as a result of past environmental spillage events.

As operational risks and workforce expectations continue to evolve, we remain committed to strengthening preventive safety culture, protecting workforce wellbeing, enhancing contractor safety management and improving emergency preparedness capability across the organisation.

Findings from inspections, medical surveillance programmes, hazard reporting, incident investigations, safety trainings and emergency preparedness activities are used to strengthen operational controls, improve workplace safety practices and support long-term workforce wellbeing.

Through these efforts, we seek to maintain safe, resilient and operationally responsible petroleum transportation and storage operations while protecting employees, contractors, communities and other stakeholders connected to our activities.

Local communities, land and resource rights

Our pipeline network, depots, pumping stations and associated infrastructure extend across diverse geographic areas and interact with communities, landowners, public infrastructure and environmentally sensitive areas across Kenya. As a result, our operations may influence surrounding communities through land use, wayleave management, infrastructure access restrictions, operational activities and emergency preparedness requirements associated with petroleum transportation and storage.

Potential impacts associated with our operations may include:

- Encroachment along pipeline wayleaves and operational corridors.
- Community safety risks associated with proximity to pipeline infrastructure.
- Land access restrictions and competing land-use activities.
- Disturbance associated with maintenance works and infrastructure projects.
- Concerns relating to compensation, restoration or access to land.
- Disruption associated with operational incidents or emergency response activities.

Stakeholder engagement undertaken during the materiality assessment process highlighted community engagement, wayleave management, compensation processes, infrastructure safety, environmental stewardship and communication with affected communities as important stakeholder concerns. Communities located along pipeline corridors and operational areas also emphasised the importance of timely engagement, grievance resolution and collaboration with local leadership and public institutions on land-use and infrastructure-related matters. Stakeholder concerns were particularly evident in operational and community engagement areas, including Langata, Kitengela, Sinendet, Siret, Usoma and Jomvu Kuu, where engagement happened through in-person focus group discussions and key informant interviews.

We are committed to maintaining constructive relationships with communities, public authorities, landowners and other stakeholders through ongoing engagement, operational coordination and responsible management of infrastructure-related impacts.

Community engagement and stakeholder dialogue

Our interactions with communities and local stakeholders are structured towards improving communities' understanding of operational activities and associated risks, promoting transparency, creating shared value, and building working relationships. We also engage communities and stakeholders during environmental and social impact assessment processes for infrastructure projects and operational developments, in accordance with applicable regulatory requirements.

Community engagement approaches vary from one community to the other depending on specific the nature of operational activities happening near them, the level of potential community impact, safety and security considerations, and land-use characteristics surrounding infrastructure. For instance, engagement activities in densely populated areas may be more frequent to enhance safety awareness and prevent encroachment and vandalism, compared to a sparsely populated area.

Some of our engagement methods include:

- Community meetings and public participation forums.
- Consultations during projects, maintenance works and operational activities.
- Engagement with local leadership, National Government Administration Officers (NGAO) and county governments.
- Public safety awareness initiatives.
- Community grievance handling and dispute resolution mechanisms.
- Emergency preparedness and response activities.

These engagements support the identification of community concerns, strengthen awareness of operational activities and help improve coordination with stakeholders located near operational facilities and pipeline corridors. They are conducted in collaboration with county governments, National Government Administration Officers (NGAO), local leaders, regulators and relevant public agencies, depending on the nature of operational activities and stakeholder concerns involved.

Within the last two years (2024/25 and 2025/26), we held over fifty (50) stakeholder meetings, including discussions with regulators, National and County Government leaders, security teams, and beneficiaries such as the management of mother Kevin Hospital. We also had direct engagements with communities in Mombasa Changamwe, Nakuru Kaptembwo, and Nairobi Lang'ata.

Land access, compensation and grievance mechanisms

Whereas KPC acquired its primary land in the 1960s and 1970s, operational activities, maintenance works and infrastructure expansion projects occasionally require temporary access to land or engagement with landowners, occupiers and affected communities. Potential community concerns associated with operational activities may include:

- Temporary restrictions on land access.
- Disturbance and inconveniences during maintenance or repair works.
- Concerns relating to restoration of affected areas.
- Compensation-related concerns.
- Disputes relating to land use or infrastructure access.

We seek to manage these interactions responsibly through stakeholder engagement, consultation and compliance with applicable legal and regulatory requirements governing land access, infrastructure development and compensation processes. We achieve this by treating land-related concerns as a key area of sensitivity; prioritizing legal direct purchase of land from individual owners within communities and ongoing transparent discussions with communities.

We also maintain grievance-handling and stakeholder-engagement mechanisms that enable affected stakeholders to raise concerns, complaints or requests related to operational activities, land access or infrastructure-related impacts. Stakeholders may raise concerns through:

- Direct engagement with operational teams.
- Community meetings and stakeholder forums.
- Formal complaints and grievance mechanisms.
- Customer and public complaints channels.
- Engagement with local administration and public authorities.

Table 25 highlights the number of grievances received and resolved, including concerns and complaints on land access and/or compensation. In general, the average grievance resolution time varying largely depending on nature of grievance and resolution methods chosen. For instance, sub-divisions take an average of 10 days whereas compensations and court cases take months (6-8 months).

Table 25 Community grievances and land compensation cases resolved

Indicator	Unit	2023/24	2024/25	2025/26
Community grievances received	Number	4	9	12
Community grievances resolved	Number	4	4	6
Land access or compensation grievances received	Number	3	9	6
Land access or compensation grievances resolved	Number	3	0	3

Reported grievances are reviewed and addressed through established internal processes involving relevant operational, legal, stakeholder management and technical teams depending on the nature of the concern raised. Where applicable, corrective and remedial actions may include:

- Engagement and consultation with affected stakeholders.
- Site assessments and verification exercises.
- Restoration or rehabilitation measures.
- Compensation processes in accordance with applicable legal and regulatory frameworks.
- Escalation to relevant authorities or dispute resolution mechanisms where necessary.

No compensations/settlement awards have been required of the company in the last two years (2024/25 and 2025/26). In 2023/24, however, a total of over KES 47 million was paid to communities as compensation for property damage incurred during demolition, outstanding compensation for land along the right-of-way, and an insurance settlement award relating to the spillage incident in the Kiboko Scheme.

We continue strengthening internal coordination and stakeholder engagement processes aimed at improving responsiveness, transparency and resolution of community and land-related concerns.

Sustainable Procurement and Responsible Supply Chain Management

Our supply chain plays an important role in supporting safe, reliable and efficient petroleum transportation and storage operations through procurement of goods, services and specialised technical support. We have a wide range of suppliers, contractors and service providers who contribute to infrastructure maintenance, operational continuity and delivery of strategic energy services.

We therefore seek to manage supplier relationships responsibly in order to strengthen operational reliability, support local economic participation and promote responsible business practices across our value chain. Supply chain management is also crucial for management of sustainability and operational risks associated with supply chains, including:

- Supply disruptions affecting infrastructure operations and product movement.
- Supplier non-compliance with environmental or ethical standards.
- Corruption and integrity risks associated with procurement and contracting activities.
- Occupational health and safety risks associated with contractor activities.
- Human rights and labour practice concerns within supplier operations.
- Limited participation of local suppliers and special interest groups in procurement opportunities.

Stakeholder engagement undertaken during the materiality assessment process highlighted procurement integrity, transparency, local supplier participation, supplier accountability and fair access to procurement opportunities as important stakeholder priorities. Suppliers, regulators, public stakeholders and business partners emphasised the importance of responsible procurement practices, supplier development and operational transparency across the value chain.

Supply chain risk management

Supply chain risks may arise from operational disruptions, supplier non-compliance, labour-related challenges, integrity concerns or broader economic conditions affecting supplier operations. We are therefore keen on supplier governance and oversight mechanisms that can strengthen operational reliability and minimise procurement and contractor-related risks.

We manage supply chain risks through a number of strategies such as:

- Stringent due diligence process during supplier registration.
- Strong procurement governance and approval controls.
- Monitoring of supplier performance and operational delivery.
- Contractor compliance with operational and safety requirements.

- Supplier engagement and communication processes.
- Compliance with KPC PLC Supply Chain Policy.

Supplier and contractor oversight supports alignment with operational reliability, occupational health and safety expectations and responsible business practices across the value chain. Monitoring supplier performance helps ensure that operational activities supported by suppliers meet the safety, quality and reliability standards required across our infrastructure network.

Supplier screening: environmental, social and governance considerations

Promoting responsible business practices within the supply chain is an important component of our sustainability approach such as a zero-tolerance approach to human rights abuses, including forced labour and child labour. We also expect suppliers to operate in accordance with applicable labour laws, ethical business practices and occupational health and safety requirements.

To ensure we work with suppliers aligned with our vision, the following environmental, social and governance considerations are integrated within supplier management processes include:

- Compliance with labour and employment requirements.
- Occupational health and safety expectations.
- Environmental management and operational compliance requirements.
- Anti-corruption and ethical business conduct expectations.
- Human rights and workplace dignity considerations.

Suppliers are required to submit disclosures on beneficial ownership, conflict of interest and anti-corruption as part of the tender process. These enable KPC to identify the beneficial owners of business partners and incorporate anti-corruption criteria into supplier evaluations. Until 10 March 2026, contracts were published on the Government Public Procurement Information Portal (PPIP). Following KPC's transition from a state-owned to a publicly listed company, we are developing a Supply Chain Policy that will define requirements for contract publication and disclosure.

We continue to strengthen supplier awareness and governance processes to improve the integration of environmental, social and governance considerations into procurement and supplier management activities.

Prevention of anti-competitive behaviour

As a principle, KPC is committed to conducting business in a manner that promotes fair competition, prevents market distortion, and strengthens stakeholder confidence. We maintain strict procurement and governance systems designed to reduce the risk of anti-competitive

behaviors including collusion, bid-rigging, conflicts of interest, abuse of market position, and other practices that could compromise fair competition.

Procurement processes are undertaken through structured and transparent procedures that promote equal opportunity for qualified suppliers while ensuring objective evaluation based on predetermined criteria. For instance, our interim supply chain management policy guides that single-source procurement be used sparingly and only in prescribed circumstances due to the inherent risk of lack of competition in this method. Additionally, such transactions will require approval from the MD alongside a written justification.

KPC further commits to ensuring that no supplier will be given preferential treatment or information advantage based on personal relationships, ethnicity, gender, political affiliation or any other non-merit consideration. Where margins and preferences for special interest groups exist, decisions will be made subject to approved processes.

Lastly, employees involved in procurement, contract management, and commercial decision-making are expected to uphold the highest standards of ethical conduct and are required to disclose any actual, potential, or perceived conflicts of interest that may influence business decisions. These controls help safeguard the integrity of procurement processes and reinforce public confidence in the Company's operations. All procurement policy violations and infractions shall be investigated and sanctioned in accordance with the Company's Human Resources Policies and Employee Disciplinary Procedures.

We are proud to share that, in the last three years, KPC has had no legal actions regarding anti-competitive behaviour, anti-trust or monopoly practices.

Managing the risk of negative social impacts within the supply chain

KPC expects all contractors, suppliers and service providers to comply with applicable international and national labour laws and ethical employment standards, including prohibitions on forced or compulsory labour and respect to the freedom of association and collective bargaining.

The company recognizes that risks of negative social impacts such as forced or compulsory labour and limits to freedom of association and collective bargaining may occur within its broader supply chain, particularly where contractors and other suppliers employ workers under different employment arrangements and operating conditions. Operations and supplier categories that may present elevated risks based on the nature of the work, use of outsourced or subcontracted labour, geographical exposure and supply chain complexity. These risks may be heightened where temporary, casual, migrant or outsourced workers are engaged, particularly where multiple tiers of subcontracting are involved. For examples, international contracts; construction and infrastructure projects; security, cleaning and landscaping services; transport, maintenance and technical contractors; and suppliers of PPE, uniforms, equipment and other goods.

To identify and address potential labour-rights concerns, the Company applies supplier and contractor requirements, contractual provisions, supported by employee grievance mechanisms. Particular attention is given to contractors employing significant numbers of casual, temporary or outsourced workers. Particularly, for services such as security, ground maintenance, cleaning, and hospitality, the evaluation criteria includes a requirement for submission of bidders' payrolls to ensure awarded contractors pay statutory minimum wages.

We are pleased that no negative social impacts were identified within our supply chain and no corrective measure taken within the reporting period.

While KPC's procurement and supplier management processes require suppliers and contractors to comply with applicable laws and contractual requirements, however, we recognize the need to strengthen the systematic assessment of social risks across our supplier base. As we further in sustainable business operations, we remain committed to incorporating social considerations into supplier due diligence, prequalification, contracting, and performance monitoring, particularly for suppliers operating in higher-risk sectors or jurisdictions.

Promoting transparency and fair competition

Our procurement and supplier management approach is guided by applicable public procurement regulations, internal procurement procedures, supplier registration requirements, anti-corruption controls and operational governance processes. These frameworks support transparent procurement processes, supplier due diligence, operational efficiency, fair competition, responsible use of organisational resources, and operational oversight and monitoring of supplier performance across the supply chain.

Our procurement systems support:

- Open access to procurement opportunities.
- Efficient supplier registration and tender submission.
- Improved communication between suppliers and procurement teams.
- Better visibility of procurement processes and requirements.
- Streamlined procurement administration and record management.

Procurement activities are supported through digital supplier and procurement platforms that enable suppliers to register, access procurement opportunities, participate in tender processes and manage procurement transactions electronically. To enable consideration of non-financial characteristics such as gender and regional affiliation, suppliers are required to register as either local suppliers or foreign suppliers. Local suppliers are further categorized as either general or Special Interest Groups (Previously known as Access to Government Procurement Opportunities (AGPO)) which include women, youth and persons with disabilities. Local suppliers can also register to operate in one or more of six regions – Mombasa, Nairobi, Naivasha, Nakuru, Eldoret and Kisumu. These systems help strengthen procurement integrity,

improve operational efficiency and support fair participation in procurement activities across the organisation.

Procurement integrity has been a cornerstone of our sustainability and corporate governance frameworks in alignment with national laws, including the Public Procurement and Asset Disposal Act (PPADA), the Company Interim Supply Chain Policy, and industry best practices. We have institutionalized a rigorous approach to preventing, detecting, and resolving procurement non-compliance cases in a manner that safeguards the interests of shareholders. Our strategy for managing compliance risks spans three core pillars as follows:

1. Internal Safeguards and Risk Management through;
 - Separation of Duties: We strictly segregate roles between tender initiation, evaluation, and award to prevent conflict of interest.
 - Strict Due Diligence: We mandate exhaustive background and financial checks on all prospective suppliers prior to contract execution.
 - Routine Auditing: Our Internal Audit department runs routine, independent reviews of high-value tenders to flag any deviations or concerns.
2. Enforcement actions when irregularities or ethical concern emerge include:
 - Administrative actions that may entail cancelling irregularly awarded tenders and initiating internal disciplinary procedures against non-compliant staff.
 - Debarment of vendors found guilty of fraud, collusive bidding, or contract misrepresentation from participating in future tenders.
 - Collaboration with legal enforcement agencies and oversight bodies such as the Ethics and Anti-Corruption Commission (EACC) and the Directorate of Criminal Investigations (DCI) to prosecute fraudulent activities.
3. Participation in appeals and dispute resolution mechanisms such as reviews by the Public Procurement Administrative Review Board (PPARB) to guarantee fair hearing and administrative justice for aggrieved bidders. Following our listing at the NSE, we have a new appeal mechanism in the Supply Chain Interim Policy and this will be availed to all suppliers.

We remain steadfast to improving transparency, strengthen communication between suppliers and procurement teams and support efficient procurement administration. We continue strengthening procurement governance systems aimed at improving procurement integrity, operational oversight and responsible supplier engagement across all procurement activities.

Supplier engagement and capacity building

Supplier engagement and capacity development form an important component of our responsible supply chain management approach. We engage suppliers through sensitisation

programmes, stakeholder forums and procurement awareness initiatives aimed at improving supplier readiness, strengthening understanding of procurement requirements and supporting compliance with applicable regulations.

As a government-owned organization, KPC operated in line with the Public Procurement and Asset Disposal Act (2015) which regulates how state organs and public entities source goods, works, and services to ensure transparency, accountability, and value for money. We organised supplier awareness sessions and training programmes in partnership with the Public Procurement Regulatory Authority (PPRA) to strengthen compliance with public procurement and asset disposal regulations amongst registered and prospective suppliers. We also collaborated with the Access to Government Procurement Opportunities (AGPO) programme to conduct online sensitisation Workshops to support participation of youth, women and persons with disabilities in procurement opportunities.

We continue to strengthen contractor engagement and oversight to support the consistent application of occupational health and safety requirements across operational activities and KPC-controlled sites.

Supplier grievances

We recognize that maintaining constructive and transparent relationships with suppliers is essential to the effective delivery of its operations and to building a resilient and responsible supply chain. The Company provides channels through which suppliers can raise concerns or grievances relating to procurement processes, contractual matters, payment, supplier engagement, or other aspects of their relationship with KPC.

Over the past three reporting periods, we received 8, 11 and 14 supplier grievances, respectively (figure 8). All grievances received were fully resolved through transparent communication and review of documents as they have primarily been on the evaluation of tenders and reasons given for disqualification of bids. The increase in reported grievances demonstrates the continued use of supplier feedback mechanisms and highlights the importance of maintaining accessible and effective channels for supplier concerns.

We remain committed to strengthening our supplier grievance management processes to promote fairness, transparency, accountability and timely resolution of supplier concerns. This will support KPC's broader objective of developing trusted supplier partnerships and embedding responsible business practices throughout its value chain.

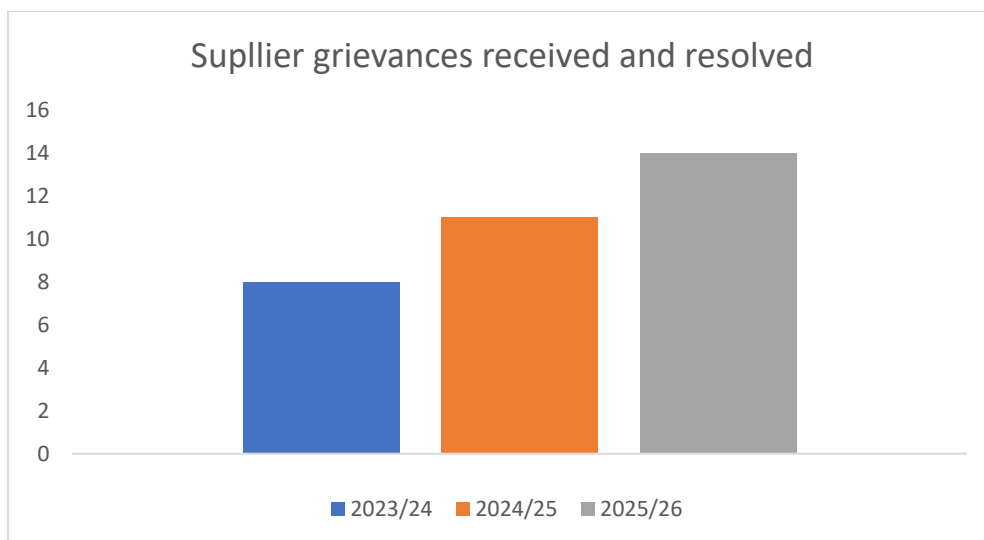


Figure 8 Supplier grievances received and resolved in the last 3 years

Local supplier participation and economic inclusion

Our procurement processes seek to promote local economic activity, enterprise development and inclusion by providing opportunities for businesses of diverse scales, ownership styles and geographical locations. Where feasible and consistent with operational requirements, we seek to support participation of local suppliers in procurement opportunities in accordance with applicable procurement regulations and governance procedures.

Table 26 provides a summary of how much we have injected into the local economy through procurement and supplier contracting. In 2025/26, we surpassed our targets on the number of local suppliers awarded and the procurement spend on those categorized as women, youth and/or PWD suppliers. We awarded KES 6,379,358,224 to local suppliers against a set target of KES 3,065,694,684, achieving over 200% success. On the other hand, we surpassed our target spent on AGPO suppliers by 45%, spending a total of KES 316.38 million against set target of KES 219.0 million. Over 13.3% of the amount awarded to AGPO suppliers (equal to KES 49.07 million) went to suppliers that identify as PWD, significantly surpassing the set target of KES 4.38 by over 1000%.

Table 26 Procurement spend on various categories of suppliers

Indicator	Unit	2023/24	2024/25	2025/26
Total procurement budget	KES billion	5.765	3.986	9.064
Total procurement spend	KES billion	3.593	3.338	6.767
Procurement spend with local suppliers	KES billion	3.593	3.338	6.767
Percentage of procurement spend with local suppliers	%	100	100	100
Procurement spend with AGPO suppliers	KES million	483.56	242.10	316.38
Procurement spend with AGPO suppliers	%	13.47	7.25	4.96

Number of suppliers trained	Number	1494	126	164
Number of international suppliers	Number	0	0	0
Number of AGPO suppliers engaged	Number	552	124	160

Upon transitioning into a public-listed company, we recently developed a new supply chain policy to enhance efficiency in our procurement and contracting processes. The new policy introduces several key changes including effectively ending newspaper announcements and moving tendering and procurements to our official website.

Governance and continuous improvement

Oversight of procurement and supply chain management activities is supported through governance structures involving procurement, finance, legal, operational, risk management and internal audit functions. We continue strengthening responsible supply chain management practices aimed at improving:

- Procurement integrity and transparency.
- Supplier governance and accountability.
- Local supplier participation.
- Supplier awareness and capability development.
- Integration of environmental, social and governance considerations within procurement processes.
- Operational resilience and supply continuity.

Findings from supplier engagement, procurement reviews, audits, operational assessments and stakeholder feedback are used to strengthen procurement systems, supplier management approaches and governance controls across the organisation.

KPC's Interim Supply Chain Policy recognizes sustainability as a key procurement principle by requiring environmental, social and governance (ESG) considerations to be taken into account during procurement decision-making. However, while this provides an important foundation for responsible sourcing, we recognize the opportunity to further strengthen the systematic integration of ESG considerations across the supplier lifecycle. Going forward, we aim to progressively embed sustainability into supplier prequalification, performance evaluation, contract management, supplier engagement, and continuous monitoring to build a more resilient and responsible supply chain.

As operational requirements, stakeholder expectations and regulatory requirements continue to evolve, we remain committed to strengthening responsible procurement, supporting ethical supply chain practices and promoting transparency, accountability and responsible business conduct across our value chain. Through these efforts, we seek to maintain a resilient, transparent and responsible supply chain that supports operational reliability, local economic participation and sustainable value creation across our operations and stakeholder relationships.

Community participation and Social Investments

Creating shared value through the KPC Foundation

Beyond involvement of communities through our operations, we recognise that our long-term success is closely linked to the wellbeing, resilience and development of the communities connected to our operations. Therefore, we are intentional about interacting with and supporting the communities, public institutions, educational facilities, local leadership structures and community organisations located near our depots, pumping stations, terminals and pipeline corridors. Our goal is to contribute to inclusive social and economic development through structured community investment, strategic partnerships and empowerment initiatives that respond to local needs and priorities.

KPC Foundation is the Company's dedicated vehicle for long-term social and environmental investment. Established in 2016 under a Trust Deed, the Foundation coordinates community investment initiatives aimed at improving livelihoods, strengthening resilience and supporting sustainable development across Kenya. It receives 1% of our gross profit to fund programmes within six strategic areas namely:

- Education and skills development.
- Access to clean water and sanitation facilities.
- Good health and wellbeing
- Humanitarian support and social inclusion.
- Environmental conservation.
- Economic empowerment.

Through these pillars, the Foundation seeks to support vulnerable and underserved groups, strengthen access to opportunities and contribute to long-term community wellbeing within regions connected to our operational footprint. The decision on which projects to run is made through stakeholder engagements to ascertain initiatives with maximum perceived benefits and expected to cause minimum unintended negative impacts. This approach allows synergist relationships with our development programs while managing trade-offs within the local area.

Communities can submit their project proposals to the KPC Foundation by emailing the Foundation Manager, delivering them to nearby KPC personnel, or dropping them off at our Nairobi offices. In this manner, we often support short term select projects such as maintenance of local access roads used by both operational teams and surrounding communities or support for youth sports programmes. These interventions support community resilience and strengthen KPC's contribution to social wellbeing during periods of vulnerability and emergency.

KPC Foundation Initiatives and Achievements

Education and skills development

Education remains the flagship pillar of the KPC Foundation and one of our most significant long-term social investment priorities. Our involvement within this sector entails provision of education scholarships for children with disabilities and development of school infrastructure as detailed below:

INUKA Scholarship Programme

Inuka, which translates to arise, was launched in 2017 and is designed to empower children living with disabilities through access to secondary school education. It is a Scholarship Programme through which we support students with disabilities from financially disadvantaged backgrounds to access quality educational opportunities in secondary and tertiary levels. The scholarship award entails payment of school tuition fees, purchasing of school uniforms, provision of necessary assistive learning devices, and access to structured mentorship from KPC PLC staff and other volunteers.

The scholarship enrolls two students per county each year, based on performance and need levels. The vetting of learners is conducted through interagency partnerships at the county level to ensure transparency and allow us reach the most deserving learners at the grassroots level. We have invested over KES. 120 million to enable more than 750 students with disabilities through secondary school. Scholars are required to achieve Grade C+ and above throughout their studies.

To strengthen long-term educational impact, the program was revamped in April 2025 with an expanded scope that now included providing tertiary education sponsorship for top-performing beneficiaries transitioning from secondary education. The extension, dubbed INUKA Plus programme, will be supporting 25 best performers annually, with KPC Foundation committing up to KES 41 million each year towards tertiary education sponsorship. The inaugural cohort of Inuka plus scholars received their scholarships in December 2024.

Education infrastructure development

In addition to scholarships, the Foundation invests in availing and upgrading educational infrastructure to improve learning environments and access to quality education. We believe that better schools translate to increased school enrolment and improved education outcomes for learners. We are committed to developing school infrastructure as a way to promote a conducive environment for learning. This empowers learners towards achieving a dignified life and contributing to economic development within their regions and across the country.

We have completed and commissioned over 150 infrastructure projects across the country, with a total investment of over KES 630 million. The projects consist of construction of dormitories, laboratories, classrooms, multi-purpose halls, administration offices, and ablution blocks.

Some of the projects implemented and commissioned during the reporting year include:

- 100-capacity girls' dormitory worth KES 5 Million at Cardinal Otunga Girls Secondary School.
- Computer laboratory worth KES 5 million at On'geche Secondary School.
- School bus valued at KES 10.7 million to Rangala Boys Secondary School.
- 52-seater school bus to St. Paul II Chepterwai Girls Senior School.
- Twin laboratories and a classroom valued at KES 5 million at Dr Idda Odinga Secondary School.
- Three fully equipped classrooms worth KES 6 million at St. Joseph Comprehensive School.
- State-of-the-art laboratory at a cost of KES 5.5 million at Muruguru Junior Secondary School.
- Sh3 million administration block to Kuwour Primary School

These investments contribute to improved learning conditions, increased enrolment capacity and stronger educational outcomes within beneficiary communities. Similar investments are ongoing in various parts of the country - for instance the construction of a modern computer laboratory at Jogbaru Girls Secondary School.

Water and sanitation

Our water projects afford communities access to clean water through boreholes, dams, piping, and tanks, particularly in arid and semi-arid regions. We have implemented over 110 projects across the country, transforming an estimated 40,000+ lives. We improve the sustainability of our water projects by integrating solar energy for water pumping, making access to water economically accessible by offering it free or at affordable rates, and handing over project management to communities after commissioning.

Some of the water projects recently commissioned include:

- Sh3.6 million spent on equipping and solarizing a borehole at Kitui Teachers Training College (KTTC). The project will benefit over 2,500 people.
- Sh4 million spent on drilling and solarization of a borehole at Set Kobor JSS Primary School in Solai. The borehole will serve 385 students and the surrounding community.
- Water borehole drilling project at Uhuru Comprehensive School in Isiolo Town.
- Sh3 million spent to drill a borehole and equip it with solar-powered pump, piping and storage tanks at St Patrick's Secondary School Ofafa. Over 25,000 residents expected to benefit from the project.
- 24/7 access to free piped water to communities around Sinendet pumping station.

Additionally, the Foundation has been involved in sanitation projects to promote good hygiene and avert diseases associated by poor sanitation such as diarrhoea. Among these projects includes building of a modern ablution block with 20 toilets at Miritini world bank school in Mombasa and an ablution block in Kowuor Primary School.

Good health and wellbeing

KPC Foundations has invested heavily in grassroots healthcare infrastructure, medical equipment, and health outreach camps. We have completed 19 projects in health with the most recent including:

- KES 6 million outpatient block at Momoni Health Centre in Kipkelion, Kericho County.
- KES 6.5 Million Construction and equipping of state-of-the-art dispensary in Nkuene Ward, Meru County.
- KES 5 million newborn unit at Port Reitz Subcounty Hospital.

This year, we expanded healthcare access by registering all Inuka scholars under the Social Health Authority (SHA). This move will ensure the scholars can access healthcare services required to attain optimal wellbeing required to study and excel.

Social inclusion and Economic empowerment

Our social inclusion programs seek to promote gender equity and empower marginalized communities to be more resilient to challenges such as rising cost of living and climate change. These programs create hope, enable better living conditions for households, and provide individuals with necessary skills. Some of our ongoing projects include:

Clean Energy Transition Programme

In partnership with Vivo Energy Kenya, we provide a complete 6 kg LPG starter kit, comprising a gas cylinder, burner, grill, and an initial gas fill, to select vulnerable communities in Mombasa and Nairobi Counties. The initiative seeks to promote communities' transition to clean, safe, and efficient cooking methods. Phase I of the programme benefited 100 households in Jomvu Kuu, Mombasa and the Phase II targets to empower an additional 100 vulnerable households in Mukuru Viwandani, Nairobi.

Empowering young female survivors of gender-based violence

In May 2025, KPC Foundation entered into a four-year partnership with the Centre for Rights Education and Awareness (CREAW) and Morendat Institute of Oil and Gas National Polytechnic (MIOG) to economically empower young female survivors of gender-based violence. The initiative targets to provide fully sponsored technical and vocational training to survivors aged 18–35 years from Nairobi and Mombasa. The beneficiaries will be identified and selected by CREAW while MIOG will provide them with training in high-demand fields such as welding and fabrication, fibre optic installation, electrical installation, motor vehicle diagnostics, and fire safety. KPC Foundation will leverage the company's national

infrastructure and industry networks to support internship and employment opportunities for women who undergo successful training.

INUKA Vocational Youth Empowerment Program

The newly launched vocational program is set to empower 31 youth drawn from 14 villages in Nairobi's Mukuru area. The beneficiaries of the program include 13 women and 18 men, underscoring the Foundation's commitment to gender equality and the inclusion of women in traditionally male-dominated sectors. The beneficiaries will undergo six months of training in Welding & Fabrication and Electrical Installation, followed by three months of industrial attachment at the Morendat Institute of Oil and Gas (MIOG), Nairobi Campus.

Humanitarian support

Through partnering with community-based organizations like SHOFCO and faith-based charities like the Ansar Islamic Organization, KPC Foundation has been able to extend a helping hand to communities facing humanitarian crises. We have been involved in donation of food supplies to vulnerable communities, support to flood victims in Mukuru Kwa Ruben, and KES 1 million in support of victims affected by the Embakasi gas fire incident.

Environmental conservation

We spearhead environmental conservation and ecosystem restoration efforts, in partnership with the Kenya Forest Service (KFS), Community Forest Associations (CFA) and other local partners. Our restoration initiatives are merge ecosystem restoration with empowerment of local households through with social and genderized objectives. Some of the ways we achieve this include through procuring seedlings from community managed nurseries, engagement of community members in planting and caring for the trees and incorporating sustainable income products such as bee keeping.

We have fully restored over 50 hectares of degraded mangrove forest and cultivated about 100 hectares of land in Tudor creek, in Jomvu Kuu Mombasa. We have so far planted 1,216,020 mangrove trees in the area, with the project supporting over 1000 households through our implementing partner Bidii Creek conservancy. Additionally, from 2017 to date, KPC has cumulatively planted 905,200+ seedlings of terrestrial seedlings across the country, with a tree survival rate of 93%. This includes the restoration of approximately 200 hectares of degraded land in Narasha Forest, Baringo county. Our total spend in restoration initiatives stands at over KES 30 million.

To commemorate World Environment Day 2026, KPC is collaborating with the National Environment Management Authority (NEMA) and the Kenya Forest Service (KFS) to plant 20,000 trees in Kilifi and Mombasa in support of coastal ecosystem restoration. We are also proud to be sponsoring the Environment Category in this year's BAKE awards to promote use

of digital media and content creation to champion responsible natural resource management, conservation, climate action, and sustainable development, helping to build a greener future.

We are keen to continue promoting these initiatives for biodiversity restoration and environmental resilience as well as a tool for community empowerment through livelihood creation and long-term stewardship of natural resources.

Partnerships and collaboration for impact

At Kenya Pipeline Company (KPC), we recognize that delivering sustainable energy infrastructure and creating long-term value cannot be achieved in isolation. The complexity of today's environmental, social, and governance (ESG) challenges requires strong partnerships built on shared purpose, mutual trust, and collective action. Collaboration therefore remains a strategic pillar of our business and sustainability agenda.

We operate within an extensive value chain that spans government institutions, regulators, energy sector players, development partners, suppliers, financial institutions, communities, and regional markets. By fostering collaborative relationships across this ecosystem, we strengthen operational resilience, enhance service delivery, improve environmental stewardship, and contribute to sustainable socio-economic development across the region. across operational areas.

We view partnerships not simply as operational relationships, but as strategic enablers that strengthen implementation capacity, support long-term sustainability of community investment programmes and accelerate sustainable development. By combining expertise, resources, and shared ambition, we create solutions that strengthen energy security, protect the environment, empower communities, and generate long-term value for all stakeholders.

Operational partners

- Energy and Petroleum Regulatory Authority (EPRA)
- National Environment Management Authority (NEMA)
- Directorate of Occupational Safety and Health Services (DOSHS)
- Kenya Ports Authority (KPA)
- Kenya Power & Lightning Company (KPLC)
- Oil Marketing Companies (OMCs)

CSI partners

- Kenya Forest Services
- Vivo Energy
- Equity Group Foundation
- Mama Doing Good initiative
- Kenya Defence Forces (KDF)
- Greens of Africa Foundation,
- CFAs
- National Government Administration Officers (NGAO) and local leadership structures.
- community-based organisations.
- KFS and environmental agencies.
- CREAW.

- Educational institutions.
- Development and conservation partners.

GRI Content Index

Kenya Pipeline Company PLC (KPC PLC) has reported the information cited in this GRI content index for the period July 1, 2025 to June 30, 2026 in accordance to the GRI Standards.

STANDARD	STANDARD REFERENCE NUMBER	DISCLOSURE(S)	PAGE(S) / COMMENT
GRI 1: Foundation Disclosures 2021	Requirement 1	Application of reporting principles	Complete
	Requirement 2	Report the disclosures in GRI 2: General Disclosures 2021	Complete
	Requirement 3	Determine material topics	Complete
	Requirement 4	Report the disclosures in GRI 3: Material Topics 2021	Complete
	Requirement 5	Report to disclosures from the GRI Topic Standards for each material topic	Complete
	Requirement 6	Provide reasons for omission for disclosures and requirements that the organization cannot comply with	Done
	Requirement 7	Publish a GRI content index	Complete
	Requirement 8	Provide a statement of use	Complete
	Requirement 9	Notify GRI	To be done
GRI 2: General Disclosures 2021	2.1	a. legal name; b. nature of ownership and legal form; c. the location of its headquarters; d. its countries of operation.	17, 23, 30
	2.2	Entities included in the organization's sustainability reporting	24
	2.3	Reporting period, frequency and contact point	16
	2.4	Restatements of information	16
	2.5	External assurance	16
	2.6	Activities, value chain and other business relationships	26, 28
	2.7	Employees	104
	2.8	Workers who are not employees	116
	2.9	Governance structure and composition	51-60

	2.10	Nomination and selection of the highest governance body	52
	2.11	Chair of the highest governance body	54
	2.12	Role of the highest governance body in overseeing the management of impacts	60
	2.13	Delegation of responsibility for managing impacts	60
	2.14	Role of the highest governance body in sustainability reporting	61
	2.15	Conflicts of interest	56, 64
	2.16	Communication of critical concerns	62
	2.17	Collective knowledge of the highest governance body	55
	2.18	Evaluation of the performance of the highest governance body	56
	2.19	Remuneration policies	56
	2.20	Process to determine remuneration	57
	2.21	Annual total compensation ratio	57
	2.22	Statement on sustainable development strategy	Information unavailable: While ESG features in the corporate strategic plan of the company, the development of a corporate sustainable development strategy is currently ongoing. The strategy will be published in 2026/27.
	2.23	Policy commitments	62-68
	2.24	Embedding policy commitments	38, 68
	2.25	Processes to remediate negative impacts	37-42
	2.26	Mechanisms for seeking advice and raising concerns	107, 116, 122
	2.27	Compliance with laws and regulations	32, 124
	2.28	Membership associations	34
	2.29	Approach to stakeholder engagement	20

	2.30	Collective bargaining agreements	112
GRI 3: Material Topics 2021	3-1	Process to determine material topics	21
	3-2	List of material topics	21-23
SECTOR STANDARD GRI 11 DISCLOSURES			
GHG emissions			
GRI 3: Material Topics 2021	11.1.1	Disclosure 3-3 Management of material topics	56
GRI 302: Energy 2016	11.1.2	Disclosure 302-1 Energy consumption within the organization	75
	11.1.3	Disclosure 302-2 Energy consumption outside of the organization	75
	11.1.4	Disclosure 302-3 Energy intensity	79
GRI 305: Emissions 2016	11.1.5	Disclosure 305-1 Direct (Scope 1) GHG emissions	79
	11.1.6	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	79
	11.1.7	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	81
	11.1.8	Disclosure 305-4 GHG emissions intensity	81
Climate adaptation, resilience and transition			
GRI 3: Material Topics 2021	11.2.1	Disclosure 3-3 Management of material topics	50, 67, 89
GRI 305: Emissions 2016	11.2.3	Disclosure 305-5 Reduction of GHG emissions	64
Additional sector disclosure	11.2.4	Describe the organization's approach to public policy development and lobbying on climate change.	123-127
GRI 201: Economic Performance 2016	11.2.2	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Information unavailable: Physical and transition climate risks have been qualitatively identified through KPC's GHG Emissions Assessment and materiality process, but their financial implications have not yet been quantified pending

			finalisation of the Company's climate transition plan and internal carbon-pricing approach. KPC is integrating climate risk into its enterprise risk management framework, aligned with IFRS S2, and expects to disclose quantified financial implications in a future reporting cycle.
Biodiversity			
GRI 3: Material Topics 2021	11.4.1	Disclosure 3-3 Management of material topics	96
GRI 304: Biodiversity 2016	11.4.2	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	96
	11.4.3	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	96
	11.4.4	Disclosure 304-3 Habitats protected or restored	98-99
	11.4.5	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	96
Waste, Water and effluents			
GRI 3: Material Topics 2021	11.5.1	GRI 3 Disclosure 3-3 Management of material topics	89
GRI 306: Waste 2020	11.5.2	Disclosure 306-1 Waste generation and significant waste-related impacts	89
	11.5.3	Disclosure 306-2 Management of significant waste-related impacts	89
	11.5.4	Disclosure 306-3 Waste generated	90
	11.5.5	Disclosure 306-4 Waste diverted from disposal	90

	11.5.6	Disclosure 306-5 Waste directed to disposal	90
GRI 303: Water and Effluents 2018	11.6.1	GRI 3 Disclosure 3-3 Management of material topics	90
	11.6.2	Disclosure 303-1 Interactions with water as a shared resource	90
	11.6.3	Disclosure 303-2 Management of water discharge-related impacts	90
	11.6.4	Disclosure 303-3 Water withdrawal	91
	11.6.5	Disclosure 303-4 Water discharge	Information unavailable: KPC PLC does not currently measure the quantities and hydrocarbon-concentration in its effluents. The Company is scoping effluent monitoring at its operational sites and expects to report initial discharge volumes and quality parameters within the next two reporting cycles as it develops a system for measuring the volumes.
	11.6.6	Disclosure 303-5 Water consumption	91
Asset integrity and critical incident management			
GRI 3: Material Topics 2021	11.8.1	GRI 3 Disclosure 3-3 Management of material topics	99
GRI 306: Effluents and Waste 2016	11.8.2	Disclosure 306-3 Significant spills	100
Additional sector disclosure	11.8.3	Report the total number of Tier 1 and Tier 2 process safety events	126
Occupational health and safety			
GRI 3: Material Topics 2021	11.9.1	Disclosure 3-3 Management of material topics	118
GRI 403: Occupational Health and	11.9.2	Disclosure 403-1 Occupational health and safety management system	120

Safety 2018	11.9.3	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	119
	11.9.4	Disclosure 403-3 Occupational health services	121-122
	11.9.5	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	120-121
	11.9.6	Disclosure 403-5 Worker training on occupational health and safety	123
	11.9.7	Disclosure 403-6 Promotion of worker health	123
	11.9.8	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	124
	11.9.9	Disclosure 403-8 Workers covered by an occupational health and safety management system	119
	11.9.10	Disclosure 403-9 Work-related injuries	125-126
	11.9.11	Disclosure 403-10 Work-related ill health	122
GRI 3: Material Topics 2021	11.3.1	Disclosure 3-3 Management of material topics	91
GRI 305: Emissions 2016	11.3.2	Disclosure 305-7 Nitrogen oxides (NO _x), sulfuric oxides (SO _x), and other significant air emissions (amount of each gas in kilograms or multiples, their sources, carbon accounting methodologies and tools used)	94
GRI 416: Customer Health and Safety 2016	11.3.3	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	95
Employment practices			
GRI 3: Material Topics 2021	11.10.1	Disclosure 3-3 Management of material topics	109
GRI 401: Employment 2016	11.10.2	Disclosure 401-1 New employee hires and employee turnover	111

	11.10.3	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	114
	11.10.4	Disclosure 401-3 Parental leave	114
GRI 402: Labor/Management Relations 2016	11.10.5 and 11.7.2	Disclosure 402-1 Minimum notice periods regarding operational changes	116
GRI 404: Training and Education 2016	11.10.6	Disclosure 404-1 Average hours of training per year per employee	115
	11.10.7 and 11.7.3	Disclosure 404-2 Programs for upgrading employee skills and transition	115, 123
GRI 414: Supplier Social Assessment 2016	11.10.8 and 11.12.3	Disclosure 414-1 New suppliers that were screened using social criteria	Information unavailable: KPC has not yet developed formal social and environmental screening criteria for new suppliers. Criteria are being drafted as part of the procurement policy review, with screening expected to be piloted in FY2026/27 and reported from FY2027/28.
	11.10.9	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	133
GRI 3: Material Topics 2021	11.11.1	Disclosure 3-3 Management of material topics	109, 132
GRI 202: Market Presence 2016	11.11.2 and 11.14.3	Disclosure 202-2 Proportion of senior management hired from the local community	50, 58
GRI 405: Diversity and Equal Opportunity 2016	11.11.5	Disclosure 405-1 Diversity of governance bodies and employees	52, 59, 110
	11.11.6	Disclosure 405-2 Ratio of basic salary and remuneration	74
GRI 406: Non-discrimination 2016	11.11.7	Disclosure 406-1 Incidents of discrimination and corrective actions taken	110

GRI 3: Material Topics 2021	11.12.1	Disclosure 3-3 Management of material topics	131
GRI 409: Forced or Compulsory Labor 2016	11.12.2	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	132
GRI 3: Material Topics 2021	11.13.1	Disclosure 3-3 Management of material topics	131
GRI 407: Freedom of Association and Collective Bargaining 2016	11.13.2	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	131-133
GRI 3: Material Topics 2021	11.7.1	Disclosure 3-3 Management of material topics	30
Additional sector disclosures	11.7.4	List the operational sites that: • have closure and rehabilitation plans in place; • have been closed; • are in the process of being closed.	30
	11.7.5	List the decommissioned structures left in place and describe the rationale for leaving them in place.	30-31
	11.7.6	Report the total monetary value of financial provisions for closure and rehabilitation made	30-31
Economic impacts			
GRI 201: Economic Performance 2016	11.14.1 & 11.21.1	Disclosure 3-3 Management of material topics	71
	11.14.2 & 11.21.2	Disclosure 201-1 Direct economic value generated and distributed	73
	11.21.3	Disclosure 201-4 Financial assistance received from government	76
GRI 203: Indirect Economic Impacts 2016	11.14.4	Disclosure 203-1 Infrastructure investments and services supported	139-143
	11.14.5	Disclosure 203-2 Significant indirect economic impacts	74-76
GRI 204: Procurement Practices 2016	11.14.6	Disclosure 204-1 Proportion of spending on local suppliers	137
GRI 207: Tax	11.21.4	Disclosure 207-1 Approach to tax	70

2019	11.21.5	Disclosure 207-2 Tax governance, control, and risk management	70
	11.21.6	Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	70
	11.21.7	Disclosure 207-4 Country-by-country reporting	Not applicable: KPC has primarily been paying taxes to one country
Additional sector disclosure	11.21.8	For oil and gas purchased from the state, or from third parties appointed by the state to sell on their behalf, report: • volumes and types of oil and gas purchased; • full names of the buying entity and the recipient of the payment; • payments made for the purchase.	Not applicable: KPC does not directly buy oil and gas from any state, or from third parties appointed by the state to sell on their behalf.
Local communities			
GRI 413: Local Communities 2016	11.15.1	GRI 3 Disclosure 3-3 Management of material topics	127
	11.15.2	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	139
	11.15.3	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	124
	11.15.4	Report the number and type of grievances from local communities identified	129
Land and resource rights			
GRI 3: Material Topics 2021	11.16.1	Disclosure 3-3 Management of material topics	127
GRI 11: Topic 11.16 Land and resource rights	11.16.2	List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing. For each location, describe how peoples' livelihoods and human rights were affected and restored.	Not applicable: KPC PLC's pipelines were without causing or contributing to involuntary resettlement

GRI 3: Material Topics 2021	11.19.1	Disclosure 3-3 Management of material topics	130
GRI 206: Anticompetitive Behaviours 2016	11.19.2	Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	132-133
GRI 3: Material Topics 2021	11.20.1	Disclosure 3-3 Management of material topics	62
GRI 205: Anticorruption 2016	11.20.2	Disclosure 205-1 Operations assessed for risks related to corruption	67
	11.20.3	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	67
	11.20.4	Disclosure 205-3 Confirmed incidents of corruption and actions taken	67
Additional sector disclosures	11.20.5	Describe the approach to contract transparency, including whether contracts and licenses are made publicly and, if so, where they are published. If contracts or licenses are not publicly available, the reason for this and actions taken to make them public in the future.	132
	11.20.6	List the organization's beneficial owners and explain how the organization identifies the beneficial owners of business partners, including joint ventures and suppliers.	17, 132
Public policy			
GRI 3: Material Topics 2021	11.22.1	Disclosure 3-3 Management of material topics	69
GRI 415: Public Policy 2016	11.22.2	Disclosure 415-1 Political contributions	71
GRI 11.17: Indigenous Peoples	Statement on exclusion of these Topics During materiality assessment, these Topics were identified as having relatively lower stakeholder prominence and lower business impact at the time of the assessment. Further, relevant interactions with communities have been covered under GRI 11.16: Land and resource rights and GRI 11.15 Local Communities. While these topics do not currently constitute priority material issues, they		
GRI 11.18: Conflict and Security			

	remain relevant for ongoing monitoring and future reassessment as business conditions and stakeholder expectations evolve.
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