

POLICY NUMBER:	CP - CPA 3
POLICY NAME:	KENYA AIRWAYS SUSTAINABILITY POLICY
EFFECTIVE DATE:	November 2019

1. DEFINITIONS

Policy: Refers to the Sustainability policy

Sustainable Development: The organizing principle for meeting human development goals while simultaneously sustaining the ability of natural systems to provide the natural resources and ecosystem services upon which the economy and society depend.

Corporate Social Responsibility: a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public

Company: Kenya Airways and its subsidiaries.

Employee: All individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with Kenya Airways, or any of its subsidiaries or joint

Third Party: Any individual or organisation that provides an auxiliary product or service not supplied by the two principals. This includes actual and potential customers, suppliers, business contacts, Intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

2. PURPOSE

Sustainable development is important to Kenya Airways, and our contribution towards the attainment of this goal in Africa remains our core purpose. Since inception in 1977, Kenya Airways has endeavoured to contribute towards sustainable development in the continent. We have not only linked up different parts of Africa and opened them to the rest of the world, but also continued to invest in bettering quality of life for communities in different markets that we operate in and implement innovative solutions that have seen us continue to operate sustainably. We will seek to work closely with a range of organisations dedicated to responsible investment with the aim of jointly promoting sustainability and improving our shared practices. (Annex 2)

3. POLICY STATEMENT

All Company operations will integrate sustainability initiatives to ensure achievement of sustainable growth. This commitment to managing our social, environmental and economic impact will enable the Company to contribute to the aviation industry's wider goal of sustainable development. The Company's Corporate Social Responsibility (CSR) initiatives will be integrated/ an integral part of this policy.

4. SCOPE

The Company has adopted the Sustainable Development Goals (SDGs) as a guiding framework to the development of its Policy. The United Nations has provided direction for sustainable growth and investment, while

paying attention to human rights, economic growth, peace and security and climate problems through the seventeen goals.

Aviation continues to have a central role in achieving fifteen of the seventeen SDG Goals. The Government of Kenya has also specific SDGs reflected in the country's development plan.

The Policy will focus on the five key SDGs where the Company can have the greatest influence. These have been identified as;

- Climate Change- SGD 13
- Decent Work and Economic growth- SDG 8
- Responsible Consumption and Production- SDG 12
- Partnerships and goals- SDG 17
- Industry Innovation and Infrastructure- SDG 9

The Policy provides a framework and process for the governance, implementation and monitoring of Sustainability programs and activities undertaken by or on behalf of Kenya Airways.

5. OUR RESPONSIBILITIES

Kenya Airways' Sustainability and CSR activities and programs will focus on 15 initiatives grouped in four key pillars; Economic, Environmental, Social and Civic Responsibility.

Economic

We believe that contributing to a sustainable economy is an important responsibility. We are not only committed to maintaining long-term value for our customers and shareholders but to do so in an ethical manner, while being an integral contributor to Kenya's economic development. We will strive to achieve sustainability across the business and our operations in attending to social responsibilities. We will pay close attention to this commitment through;

- Introducing new destinations or increasing frequencies to new destinations
- Introducing new products
- Employment
- Supporting Kenyan and African products and services across our supply chain.

Environmental

As aviation grows to meet increasing demand, particularly in fast-growing emerging markets. It is our duty to operate in a way that protects the environment. We will aim for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations, such as by working to reduce the effect of our aviation services and operations on climate change and biodiversity. We will focus on ensuring our contribution through:

- Carbon emission programmes
- Tree planting programs
- Sustainable consumption and production in our operations

Social Responsibility

We are an active member in our society and have a duty to contribute to the betterment of communities across our network. Our Social license to operate is created and maintained slowly over time as the actions of our company build trust with the communities we operate in and other stakeholders we engage with. This will in the long term enhance our image and reputation. Our initiatives will focus on the following areas:

- Support employee initiatives (e.g. Shilling to shilling)
- Water: Provision of clean drinking water
- Education: Mentorship programs
- Biodiversity: specifically, wildlife protection
- Culture: programmes

We are cognisant that communities have certain needs that are specific to their areas. The company will also consider these initiatives alongside the above mentioned.

Civic Responsibility

The Company is committed to conducting its business in an ethical manner and to be a responsible corporate citizen through its sustainability and CSR initiatives. We will;

- Achieve the highest level of integrity in our business practices and adhere to all statutory obligations and requirements as stipulated by law. This information shall be published in the Company's Annual reports.
- Support Humanitarian efforts where calamities affect communities within our networks.
- Support medical emergencies where required.
- Sports is unifying factor in many cultures and builds a sense of national pride in countries. As part of our CSR activities, the Company will support National sports teams to take part in recognised and internationally affiliated competitions when they take place within our network.

6. GOVERNANCE STRUCTURE

The Group Managing Director and Chief Executive Officer has overall accountability for ensuring this policy complies with the Company's legal and ethical obligations. The responsibility for overseeing the implementation, monitoring and reporting is delegated to the Director of Corporate Communications and Public affairs.

To steer the sustainability process, a Sustainability Steering Committee comprising representatives from every department will be constituted. The committee will ensure adherence to policies and guidelines in the sustainability and CSR process, by monitoring its alignment with the Company's core values: -

Terms of Reference

- Accountability and sign-off authority for regional initiatives or those that exceed KES 3 million.
- Declaration of potential conflict of interest.
- Responsible to regularly review and update the Group sustainability documents including the Sustainability Policy, Strategy and Manual.
- Responsible for Group planning, budgets and financial allocations.

- Responsible for monitoring and evaluation of major strategic investments in the region.
- Responsible for internal and external communication of projects to relevant stakeholders (audiences).
- Facilitates, collates and publishes monitoring and evaluation data and reports for the company
- Quarterly scheduled meetings attended by at least 75% of the committee.

Oversight Structure



7. MONITORING & REVIEW

The Company will establish appropriate performance measures and reporting systems to monitor performance against metrics and compliance with the relevant policies, procedures and controls.

The Head of Sustainability will be responsible for monitoring and reviewing the implementation of this policy regularly considering its suitability, adequacy and effectiveness and propose its review every 3 years or where necessary.

Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective. The Head of Sustainability will provide quarterly reports to the Director Communications will in turn report to the CEO at least annually on the application of this policy.

Guiding Principle:

The Guiding Principles communicates the airline’s approach in terms of sustainability initiatives and are as follows:

- Communicate timely and openly with stakeholders while protecting and properly managing information.
- Comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice.
- Integrate sustainability considerations into all our business decisions.
- Ensure that all staff are fully aware of our Sustainability & sustainability policy and are committed to implementing and improving it.
- Make clients and suppliers aware of our Sustainability Policy and encourage them to adopt sound sustainable management practices.
- Review, annually report, and continually strive to improve our sustainability performance.

8. APPENDIX

1. Selected SDGs and some of the identified areas to explore

	<ul style="list-style-type: none"> • Provide jobs throughout our global operations • Rank consistently on national lists for employee engagement • Provide competitive benefits and compensation • Invest in the individual potential of employees through training and development programs • Establish processes and encourage practices to ensure a safe workplace
	<ul style="list-style-type: none"> • Invest in innovative technology, to enhance safety, security and the customer experience • Collaborate with regulatory and government agencies to deploy new technologies that enhance flight safety
	<ul style="list-style-type: none"> • Work with our suppliers to increase the efficiency of our aircraft through light weighting and aircraft replacements • Upcycle resources across our operations from aircraft parts, and uniforms through programs that will promote circular economy. • Promote our headquarters and in-flight commingled recycling program in 35 destination cities. • Comply with environmental regulations in the areas of air quality, aircraft drinking water, and waste.
	<ul style="list-style-type: none"> • Committed to and have achieved carbon neutral growth for five consecutive years • Aligned with International Air Transport Association on short-, medium-and long-term goals to improve fuel efficiency, achieve carbon neutral growth, and reduce carbon emissions. • Work with suppliers to increase the fuel efficiency of aircraft and implement fuel-saving flight procedures. • Engage producers in support of alternative aviation fuels.
	<ul style="list-style-type: none"> • Enable global travel through the availability of affordable air transport • Support local communities where we live, work, and serve through our community programs and eventually through The Kenya Airways Foundation • Promote community engagement through our three key pillars of Education, Health & Wellness, and Armed Service Members & Veterans

2.0 Partner Organisations

IATA: Governments and industries in Africa have been urged to focus on travel and trade as one of the priorities that will allow aviation to drive economic and social development in the continent. The International Air Transport Association (IATA reinforced that travel and trade is among four other priorities that will further enable the achievement of the United Nations (UN) Sustainable Development Goals. "Aviation is the business of freedom and a catalyst for development. A well-trained aviation workforce is essential to realizing the industry's potential to support social and economic growth—critical enablers of the UN's Sustainable Development Goal (A40-WP/1891 EX/76, 2/8/19)

UN: SDGs: The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership.

ICAO: ICAO's Strategic Objectives are strongly linked to 15 of the 17 United Nations Sustainable Development Goals (SDGs). The Organization is fully committed to work in close cooperation with States and other UN Bodies to support related targets.

The Global Reporting Initiative (GRI): An international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.

UNGC: The United Nations Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to undertake partnerships in support of UN goals.

ISO26000: ISO 26000 Guidance on social responsibility is launched from ISO, the International Organization for Standardization. Is an International Standard providing guidelines for social responsibility (SR) named ISO 26000 or simply ISO SR. It was released on 1 November 2010. Its goal is to contribute to global sustainable development, by encouraging business and other organizations to practice social responsibility to improve their impacts on their workers, their natural environments and their communities.

SASB: The Sustainability Accounting Standards Board was founded in 2011 to develop and disseminate sustainability accounting standards. While the FASB has for the past forty years developed the accounting principles currently used in financial reporting in the United States, other social and environmental measures are now understood to be of relevance. The SASB aims to integrate its standards into the Form 10-K which must be filed by public companies with the U.S. Securities and Exchange Commission; in this sense it differs from initiatives such as the GRI, by working within the current system of financial regulation.

PRI: The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society.




UNEP FI: (United Nations Environment Program Finance Initiative) The United Nations Environment Programme Finance Initiative is a global partnership established between the United Nations Environment Program and the financial sector. It was created in 1992, following the Earth Summit in Rio de Janeiro. The UNEP FI consists of 215 members from financial institutions and 41 supporting institutions. These members include banks, investors and insurance companies

9. POLICY OWNER

Director of Corporate Communications and Public affairs.

10. DOCUMENT HISTORY

Not applicable

Reviewed by: Head of Sustainability & Corporate Partnerships	J. Muhate 	DATE	12/02/2020
Approved by: Director Corporate Communications & Public Affairs	D. Kashero 	DATE	12/02/2020
Approved by: Chief Executive Officer	A. Kilian 	DATE	12/2/2020