



DB & DC SCHEME

CORPORATE SOCIAL RESPONSIBILITY POLICY

MAY 2022

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PREFACE

The KenGen Staff Retirement Benefits Scheme’s Corporate Social Responsibility (CSR) policy is based on the notion that corporate success and social welfare are interdependent. For the society to prosper, businesses must create opportunities for charity and sustainability. The Scheme too believes in making a positive difference to the society.

Through CSR, the Scheme will emerge as a socially responsible organization, cultivate positive brand recognition and increase member satisfaction.

Chairman,
Board of Trustees

FOREWORD

The Scheme's philosophy in formulating this policy is outlining its responsibility as a corporate citizen and defining the guidelines and mechanism for undertaking socially useful programmes for members welfare & sustainable development of the community at large.

Corporate social responsibility raises brand awareness and helps businesses develop trust with customers, stakeholders and employees.

This policy is the Scheme's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its staff, members and stakeholders.

Josephat Muriuki,
CEO & Trust Secretary

DB & DC SCHEME

Vision: To be the leading Schemes in the region that provides best-in-class service to its members.

Mission: To deliver on its' commitments through prudent investments.

Core Values: Customer Focus, Integrity & Innovation

ABBREVIATIONS

BoT	Board of Trustees
CSR	Corporate Social Responsibility
DB	Defined Benefits
DC	Defined Contributions
KSRBS	KenGen Staff Retirement Benefits Scheme

1 INTRODUCTION

1.1 Policy Purpose

The KenGen Staff Retirement Benefits Scheme is dedicated to fulfilling its mission of delivering on its commitments through prudent investments that ensure pension benefits are realised for its employees, retired members and beneficiaries. Besides providing these benefits to its members, the Scheme aims to be an active player in the community where its members reside or serve through its Corporate Social Responsibility (CSR) activities. Adopting an active CSR role will position the Scheme as a leader in the community, and a positive role model for others to follow suit.

CSR presents an opportunity for the Scheme to strengthen relations with stakeholders at every level, having become an integral part of developing strategies and partnerships. This CSR policy aims to align its objectives with the Schemes 10-year Strategic Objectives.

The ultimate purpose of this CSR is to maximize shared value among the Scheme employees, members, shareholders and community members. Through CSR, the Scheme will conduct its business in an ethical manner and work towards having a more positive impact on society through ensuring sustainable growth.

1.2 Policy Scope

The CSR scope for the Scheme will focus on efforts made to improve society and contribute towards sustainable development. With this in mind the Scheme's CSR policy will be centered on three key focus areas; ethical, environmental and philanthropic.

1.2.1 Ethical

Ethical CSR activities focus on ensuring that all Scheme stakeholders receive fair treatment, from employees to customers. Ethical responsibilities are self-enforced initiatives that an organization puts in place because they are morally correct rather than done out of any obligation. Whilst economic and legal responsibilities are the primary concerns of the Scheme, after addressing them, the Scheme can then begin to focus on its ethical responsibilities. Practicing good corporate governance in all its operations is also a key objective of the Scheme.

1.2.2 Environmental

This area mostly focuses on efforts towards reducing their impact on the environment. As the Scheme's Sponsor KenGen core function is electricity generation, this has a huge impact on the environment especially on hydro, geothermal and thermal power generation. Every organization is encouraged to begin addressing cutting their carbon footprint. This involves re-evaluation of a business processes in order to identify wasteful acts and cut these from an organization's business plan. Organizations that put in place environmentally friendly disposal practices now can greatly affect whether e-waste helps or harms the environment and unlock business value of e-waste.

1.2.3 Philanthropic

Philanthropic CSR primarily involves actively bettering society mostly associated with charity donations. However, philanthropic CSR does not only refer to charity donations and also includes investing in the community or participating in local projects.

1.3 Policy Objectives

Overall objectives of the CSR are:

- i. To ensure commitment of the Scheme, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of its stakeholders.
- ii. To ensure all Scheme members are fully informed of the Schemes CSR activities
- iii. To enhance the Schemes commitment to undertake its objectives to its members and deliver value to all its stakeholders.
- iv. To ensure the Scheme conducts its business with integrity, respecting law, culture and rights of its members and stakeholders.
- v. To engage staff in community sustainability initiatives.

1.4 CSR Benefits

The CSR efforts undertaken by the Scheme will demonstrate its commitment these initiatives by recognizing its ability to help its community and stakeholders. The Scheme is then expected to benefit by:

- i. Improve public image - By helping society, by either through donations, charitable events or volunteering, the Scheme gains trust from its clients. This in turn can lead to good coverage, visibility and build a good reputation of the Scheme.
- ii. Enhance positive relations and partnerships - As the Scheme builds public trust, it also builds a sense of community among its clients and stakeholders. This leads to a much healthier organization - client relationship. This also attracts and retains employees and creates a positive workplace environment.
- iii. Sustainability - CSR helps organizations become more sustainable. One way to become socially responsible is to reduce carbon emissions and start using renewable energy. This can be done by encouraging its workers to turn off devices when they are not using them and turn off the lights and air conditioners after work. This is in tandem with one of the Scheme's Sponsor KenGen PLC strategic objectives.
- iv. Enhanced ability to address change – With the Scheme's engagements through regular stakeholder dialogue is will be in a better position to anticipate and respond to regulatory, economic, social and environmental changes that may occur. This will also aid the Scheme to detect evolving trends in the market.

1.5 Guiding Principles

The CSR policy and guidelines will provide guiding principles to enable the Scheme approach and address social issues in a timely and focused manner. This policy will ensure the Scheme delivers its obligations to its members, stakeholders and community at large.

It is expected that all members of the Scheme shall comply with the laws and regulations applicable whenever they undertaken any Scheme activity.

2 CSR IMPLEMENTING STRATEGY

2.1 ETHICAL

2.1.1 Corporate Governance

The Scheme will:

- Treat members, partners and stakeholders with fairness and respect.
- Conduct business according to the acceptable ethical, professional and legal standards.
- Ensure all activities undertaken are benchmarked against the industry best practices.
- Conduct all its business with honesty, integrity and transparency, respecting human rights and the interests of our employees, members, beneficiaries and stakeholders.
- Resolve any issue or dispute amongst its members and beneficiaries in a fair, just and open manner.
- Ensure all its employees are offered the right remuneration under a conducive work environment.
- Ensure that all members comply with the laws and regulations applicable.

2.2 ENVIRONMENTAL

2.2.1 Environmental Conservation & Assets Disposal

The Scheme acknowledges the importance of conserving our environment as a part of its social responsibility and strategy to build a sustainable business environment for the community. This will be done through:

1. Improving environmental awareness and impact of climate change especially regarding possible flooding around the hydros.
2. Sensitization on recycling, re-use and proper waste disposal.
3. Planting of trees and fruits
4. Community cleaning programmes
5. Asset disposal where older electronics can be erased, refurbished and reused without carrying forward any residual data. They can be sold to earn carbon credits, reused internally, or safely donated to organizations that have less need for the most current or top-of-the-line technologies.

2.3 PHILANTHROPIC

2.3.1 Community Education

This will focus on providing financial guidance to communities that live around the KenGen Stations on areas such as savings for retirement, investing while in retirement and financial management. The aim of this is economic sustainability while in retirement and to make a sustainable positive impact on the communities within which members reside in.

The Scheme may also support top performing primary students who are in need and qualify for financial support as determined by the CSR implementation sub-committee and approved by the Board of Trustees.

2.3.2 Community Health

The Scheme will promote healthy living by advocating for incorporation of nutritious diets, volunteering & supporting health camps, inform communities on the importance of medical insurance in old age and supporting fund-raising activities that promote health programs.

2.3.3 Social Welfare

Support game and sports tournaments to encourage and strengthen community integration, cohesiveness and promote peace.

Participate and collaborate in activities centered around giving back to the community through donations of food and clothing to the needy.

2.4 CSR OPERATIONS

2.4.1 Administration of CSR

The CSR program will be managed by a CSR management sub-committee appointed by the CEO/Trust Secretary. The sub-committee will be tasked with the responsibility of identifying CSR activities, drafting a budget, resource mobilization, overseeing implementation and overall monitoring & evaluation of all CSR programs.

2.4.2 Operational Areas

By leveraging with the Scheme's Sponsor KenGen PLC CSR initiatives, the Scheme will align its interventions around the same Communities the Sponsor undertakes its operations. This will avoid duplication but rather support and enhance the existing similar CSR initiatives that the Sponsor is implementing in the following areas:

- i. Olkaria
- ii. Seven Forks
- iii. Mini Hydros
- iv. Kipevu
- v. Turkwel incorporating Sosiani
- vi. Sondu Miriu & Gogo
- vii. Nairobi

3 POLICY IMPLEMENTATION

3.1 Implementation Period

The policy will be effective from the date of approval by the Board of Trustees.

3.2 Budget/Funding

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The Board of Trustees may allocate a percentage of the previous financial year gross profits based on the audited financial statements towards educating and organizing community sensitization events, alleviate those in need and contributing towards events that promote environmentally friendly activities.

Funding may also be mobilized internally through staff and Trustees and externally through the support of the Sponsor, Scheme Service Providers, Corporate Sponsors and Well-Wishers and sale of items that have been proposed for disposal but are in good condition.

3.3 Monitoring & Evaluation

The CSR sub-committee will be tasked with quarterly monitoring of the implemented CSR programs to ensure they are on track, resources are used prudently and aligned to desired outcomes. The sub-committee shall carry out annual evaluation on the implementation of the policy and identify potential areas for review.

3.4 Policy Review

The policy will be reviewed after every three (3) years or earlier as need arises with the aim to enhance service delivery and achieve desired impact.

Approved By:

Josphat Muriuki

CEO & Trust Secretary



12th May, 2022