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Corporate Social Responsibility Policy

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2.0 INTRODUCTION

- i) KCL has been involved in CSR activities since the commencement of its operations in Kenya as an incorporated limited company in 2005 and continues to work towards community development and areas needing focus and attention.
- ii) Being a leading Civil engineering professional services provider, KCL believes that this position brings both opportunity and responsibility.
- iii) KCL believes in going beyond capitalism and profitability as goals by applying its resources and skills where it can make the greatest and positive impact to the society.
- iv) KCL has established a well-structured CSR programs initiatives to help in driving meaningful change in the community.
- v) The CSR programs endeavours to achieve the shared core values of KCL that is (Honesty, Fairness, Faithfulness, Friendliness, Professional Integrity, Innovation) and uphold the principles of Code of Ethics and Professional Conduct to the highest level.
- vi) KCL continues to grow as an organisation, the CSR will be separated from the core business by forming a foundation that will essentially operate as a trust that the business owns and who's activities will be clearly set out in a trust deed.

3.0 OBJECTIVES OF CSR POLICY

- i) The CSR policy is governed with a clear focus on promoting better lives for the less privileged in the society.
- ii) The primary objectives of the CSR programs are to;
 - a) Motivate and give hope to the future generations and
 - b) Enhance the sustainability of the non-profit organizations
- iii) KCL will review these objectives from time to time and make additions or deletions, based on the priorities for each year.
- iv) KCL intends to use a structured approach for the CSR activities so as to achieve the following benefits;
 - a) Improve the company's reputation and brand in the marketplace and boost customer loyalty
 - b) Attract potential investors to invest in our innovations that boost social welfare
 - c) Enable the company to forge strong partnerships in the marketplace by carrying out activities jointly with others. This will in turn, create new growth opportunities for our entity

- d) Benefit the society by improving the livelihoods and social welfare of the community through institutions that offer opportunities to the locals
 - v) The above mentioned benefits will be achieved through the following:
 - a) Drive measurable change in our communities and
 - b) Inspire our actions as societal change makers, and instilling great pride in knowing that we are part of accelerating positive societal impact.
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4.0 SCOPE OF CSR POLICY

Employees

- i) CSR Policy is applicable to all employees of KCL at;
 - a) the head office and
 - b) any other offices located within Nairobi and any other towns
 - ii) The CSR Policy shall be communicated to all employees and all who work on behalf of KCL.
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5.0 THE GOVERNANCE MODEL

- i) The MD shall oversee all CSR initiatives and programs

CSR Committee

- ii) The members in the CSR committee shall be appointed by the Board of Directors and shall consist of at least two or more members, namely;
 - a) CSR Chairman
 - b) Welfare Chairman
 - c) Finance Officer
 - d) An Ordinary member
 - iii) The CSR Chairman shall serve for a term of two (2) years
 - iv) The CSR committee shall hold at least one meeting in a financial year to develop strategic plan highlighting the goals of the CSR ventures, resources needed, marketing initiatives and partnerships amongst others.
 - v) The quorum shall be two (2) members are required to be present for the proceeding to take place.
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Functions of CSR Committee

- vi) Formulate and recommend to the Board of Directors, the CSR Policy which shall indicate the activities to be undertaken by the Company.
- vii) The CSR committee shall be tasked to evaluate all the proposed CSR activities and consider whether they are in line with the company objectives before recommending them for approval and final voting.
- viii) Recommend CSR activities to be undertaken by the Company in collaboration with KCL's affiliate companies or any other company or any other entity;
- ix) Recommend the amount of expenditure to be incurred on the CSR activities;
- x) Formulate the CSR Budget based on the CSR activities planned for the year;
- xi) Create an effective due diligence and monitoring mechanism for implementation of the approved CSR activities;
- xii) Submit reports to the Board of Directors in respect of the CSR activities undertaken by KCL, and
- xiii) Decide on the locations for CSR activities.
- xiv) Through the chair keep the key internal and external stakeholders informed by regular communications and updates, including providing updates on the progress of the projects and addressing issues and concerns, if any.

KCL Employees

- xv) All employees shall participate in the CSR initiatives and programs by giving proposals for the CSR activities in line with the company objectives.
- xvi) Priority shall be given to CSR proposals from the current KCL employees and shall be on first come, first serve basis.
- xvii) All employees will participate by voting for the approved CSR activities from the proposals.

6.0 GOVERNANCE STRUCTURE

Organogram

- i) The following organogram shall represent the governance structure for the CSR activities at KCL:



7.0 PROGRAMS UNDER THE POLICY

- i) KCL shall undertake at least two CSR activities for each year (for the month of April and December), as recommended by the CSR Committee.
- ii) The CSR committee shall approve any modification made to the existing CSR program or to propose any new program during the financial year under review.
- iii) The CSR programs planned for each financial year may be reviewed annually during the months of February by the CSR committee, and present an agenda to the board of directors for adoption and approval.
- iv) The signature year-round programs which KCL shall be involved in include the following:
 - a) **Strategic Donations:**
Firm donations to strategic priority projects to confirm our commitment to impact the community.
 - b) **Volunteering:**
Leveraging our people's skills and competencies in volunteering to impact local communities.
- v) KCL Shall be committed to support initiatives that measurably improve the lives of underprivileged by focusing on the following areas.
 - a) Education
 - b) Hunger eradication
 - c) Water Supply including Drinking Water
 - d) Health Care & health awareness
 - e) Environment
 - f) Sports and Culture
 - g) Infrastructure Support – construction, repair, extension etc.

8.0 GEOGRAPHIC REACH

- i) KCL shall give preference to the local area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility.
- ii) KCL will thus give preference to conducting CSR activities in Nairobi and its environs.
- iii) However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

9.0 DUE DILIGENCE

- iv) KCL shall engage with NGOs only after completely conducting its own internal due diligence and thorough evaluation.
- v) KCL shall partner with regulatory bodies and apply due diligence for evaluating the NGOs in terms of the competence of non-profits, its identity, leadership & management, accountability, transparency and financial capability.
- vi) Physical verification of the identified CSR organisation shall be conducted before proceeding with any activities.

10.0 BUDGETS AND EXPENDITURES

Budgets

- i) KCL shall allocate a budget towards each of the CSR activities falling within the purview of the objectives of this policy.
- ii) The allocated budget for CSR activities by the shall be as percentage of KCL's Net profit.
- iii) All KCL employees will be allowed to voluntarily contribute towards the budget of each CSR activity.

Expenditure

- iv) The CSR expenditure shall include all actual expenditures including KCL employees contributions on programs relating to CSR activities as recommended by the CSR Committee and approved by the Board of Directors.

11.0 PROGRESS, MONITORING AND REPORTING OF THE CSR ACTIVITIES

Progress and Monitoring

- i) KCL will review the CSR project proposal and monitor the implementation of the projects on regular basis and establish evaluation framework for supported causes.
- ii) KCL will lay down organizational supervision and oversight requirements before release of funds.
- iii) The CSR committee will be made aware of major updates, and possible drawbacks if any.

Reporting

- iv) The CSR committee through the Chairman will submit reports after every CSR activities
- v) CSR committee shall report and keep the Board updated, regarding the expenses incurred for CSR activities for the year.
- vi) CSR committee shall track all the expenditure for the financial year and report to the members in the CSR committee meetings.
- vii) An annual CSR report will also be published and our CSR targets will be disclosed.