

Abridged Sustainability Report for 2023

ABOUT THE REPORT

Kenya Airways published an abridged Sustainability Report with the 2022 Annual Report. In 2024, Kenya Airways is publishing its first standalone Sustainability Report for the 2023 Financial Year. The report is prepared in line with the Nairobi Securities Exchange (NSE) guidelines on Environmental, Social and Governance (ESG) reporting.

The NSE manual recommends the adoption of the Global Reporting Initiative (GRI) Standards as the common framework for ESG reporting by listed companies in Kenya. Kenya Airways is also a signatory to the Ten Principles of the United Nations Global Compact. In addition, Kenya Airways is also committed to advancing Sustainable Development Goals (SDGs) through our operations, value chain and partnerships.



Message from the Chairman

As we present the Kenya Airways 2023 Sustainability Report for I reflect with great pride and a sense of responsibility on our collective journey, in which each stakeholder, including investors, customers, employees, and regulatory bodies, has played a crucial role. Your contributions have been instrumental in supporting us to become Africa's preferred and sustainable aviation group. This report encapsulates our steadfast commitment to environmental stewardship, social responsibility, and responsible governance practices, which form the bedrock of our operational ethos.

Over the past year, we have made significant strides in integrating Sustainability into every facet of our operations. Our efforts, aligned with global standards and best practices, are about making progressive improvements and bringing positive change to livelihoods, reducing inequalities, and regenerating the African environment.

In 2023, the Board of Kenya Airways reinforced its commitment to environmental, social, and governance (ESG) principles through the implementation of an Enterprise Risk Management (ERM) Framework. This framework, with its clear separation between risk management and internal audit, ensures unbiased and effective oversight. We want to assure you of our commitment to responsible governance and our dedication to managing ESG principles with the utmost diligence.

The Audit and Risk Committee, with its pivotal role in identifying, tracking, and managing both strategic and operational risks, further enhances our governance practices. Kenya Airways' adoption of both long-term and short-term strategic planning processes, guided by the Strategy and Business Development Committee, ensures that all plans proposed to the Board thoroughly consider ESG risks and opportunities, enabling proactive and informed decision-making.

In 2023, Kenya Airways developed a dedicated Sustainability Department. This strategic initiative reflects our recognition of the critical importance of Sustainability in securing our airline's long-term success and resilience. Under the strategic oversight of the CEO, Sustainability is embedded across all aspects of our operations. The department manages and enhances our sustainability performance, aligning our operations with global best practices and standards. By consolidating all sustainability-related activities under a single umbrella, we aim to drive greater coherence and efficiency in achieving our sustainability goals.

Kenya Airways is pleased to publish its first Sustainability Report, a testament to our commitment to accountability and transparency with our stakeholders. We intend to provide clear and detailed insights into our sustainability initiatives, performance, and future obligations. By doing so, we aim to foster greater trust and engagement with our stakeholders. This report highlights our efforts



Message from Chairman (Cont.)

and achievements in key areas such as improving our economic and social sustainability as well as reducing our environmental operational footprint, including reducing our carbon footprint, enhancing stakeholder wellbeing, and ensuring operational excellence.

The Board of Directors has played a crucial role in managing ESG impacts at Kenya Airways, with all matters related to Sustainability receiving thorough scrutiny and approval at the highest level. The Sustainability Report provides a transparent account of our progress against critical environmental, social, and governance (ESG) metrics.

We remain committed to advancing our sustainability goals as we look to the future. The challenges posed by climate change and socio-economic disparities require concerted action. Kenya Airways is dedicated to playing a pivotal role in addressing these issues. We will continue to innovate, collaborate, and invest in initiatives that drive positive change, ensuring a sustainable future for future generations.

Message from the Group Managing Director & CEO



I am pleased to present Kenya Airways' first Sustainability Report, a comprehensive account of our ongoing efforts and future commitments to foster sustainability across all operations.

The development of Kenya Airways' sustainability strategy marks a significant step towards integrating sustainability into the core of our business operations. Recognizing the urgent need to address environmental, social, and governance (ESG) challenges, we embarked on a comprehensive process to formulate an actionable sustainability strategy. This process involved stakeholder engagement to carry out materiality and was guided by the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD). The result is a strategy that aligns with our long-term vision and corporate values, and that we believe will drive meaningful change in our operations and the industry as a whole.

To ensure the effective implementation of our sustainability strategy, we established a dedicated Sustainability Department that I spearhead. This department coordinates all sustainability-related activities, monitors progress, and ensures alignment with our strategic goals. The strategy also emphasizes the importance of innovation and collaboration. For instance, we are investing in sustainable aviation fuels, made from produced from non-petroleum-based renewable feedstocks including, but not limited to, the food and yard waste portion of municipal solid waste, woody biomass, fats/greases/oils, and other feedstocks, with the potential of enhancing our fleet's fuel efficiency by up to 80% and exploring technologies to minimize our environmental impact, such as newer aircrafts and engine upgrades. Additionally, we are fostering partnerships with industry stakeholders, governments, and non-governmental organizations to drive collective

action towards sustainability, such as our collaboration with other SkyTeam member airlines, the United Nations Global Compact, United for Wildlife, and International Air Transport Association.

Integrating sustainability into our business is not just about mitigating risks but also about seizing opportunities for growth and value creation. By prioritizing sustainability, we are not only enhancing our competitive edge but also building stronger relationships with our stakeholders. This commitment to sustainability is a testament to our forward-thinking approach and our dedication to contributing positively to the global sustainability agenda. We believe that by investing in sustainability, we are investing in our future growth and success.

Kenya Airways is committed to enhancing its financial sustainability by strategically addressing Environmental, Social, and Governance (ESG) risks and opportunities. Recognizing the interconnectedness of financial health and sustainability, we have implemented measures to reduce resource waste, develop local suppliers, and diversify revenue streams.

Reducing resource waste is a cornerstone of our sustainability strategy. By adopting rigorous resource management protocols, we can reduce operational costs by 5% and lower our carbon footprint by 5%. These initiatives not only contribute to cost savings but also enhance operational efficiency.

Developing local suppliers is another critical component of our financial sustainability efforts. By sourcing goods and services locally, we reduce supply chain risks, contribute to local economic growth, provide decent work and foster stronger community relations. This approach mitigates

Message from the Group Managing Director & CEO (Cont.)

global supply chain disruption risks, ensuring a more resilient and reliable supply base.

Diversifying our revenue streams based on ESG opportunities is vital for long-term financial stability. We are exploring new business ventures that align with sustainable practices, such as offering more eco-friendly travel packages and investing in the development of sustainable aviation fuels. These initiatives open new market opportunities and attract environmentally conscious consumers, driving additional revenue growth.

Kenya Airways is dedicated to enhancing stakeholder wellbeing by fostering a supportive, safe, and inclusive environment for our employees, customers, and community partners. We are committed to responsible employment practices, comprehensive training and education, and global health and safety standards. Our commitment to stakeholder wellbeing is not just a promise, but a fundamental part of our corporate culture and values. We value each and every one of our stakeholders and are committed to their wellbeing and success.

For our employees, we prioritize fair employment practices, ensuring equitable treatment, competitive compensation, and opportunities for career advancement. We also invest significantly in training and education programs, equipping our workforce with the skills and knowledge needed to thrive in a dynamic industry, enhance job satisfaction, and drive higher levels of performance and engagement. Our sustainability initiatives also directly benefit our employees by empowering them for sustainability transition and

integration demonstrating our commitment to their wellbeing and the long-term success of our business.

The health and safety of our stakeholders are paramount. We adhere to the highest safety standards, ensuring a secure and comfortable travel experience. Our safety protocols are continually reviewed and updated to meet or exceed regulatory requirements, fostering trust and confidence among our passengers.

In alignment with global aviation industry goals, Kenya Airways is committed to achieving carbon net zero by 2050. We are working to reduce our carbon emissions to zero and balance our residual emissions by permanent removals through tree planting. We are investing in developing and adopting sustainable aviation fuels, enhancing operational efficiencies, and exploring technologies that will enable us to meet this goal. In 2023, we committed to planting 1.2 million trees annually to manage our residual carbon emissions. In addition, we are actively collaborating with industry partners, governments, and other stakeholders to accelerate our progress towards flying carbon net zero by 2050.

We continue to participate in The Sustainable Flight Challenge (TSFC), which SkyTeam organizes annually, to advance our sustainability journey. In collaboration with other SkyTeam members, we are challenging ourselves to reduce our environmental footprint. Our goal is to adopt and scale sustainable practices in our operations while benchmarking and sharing knowledge with our partners.

2023 Highlights

178 Billion Kenya Shillings REVENUE	73% of revenue spent on OPERATING COSTS	0.03% of revenue spent on SOCIAL INVESTMENTS
8% of revenue spent on EMPLOYEE SALARIES	2% of revenue spent on EMPLOYEE BENEFITS	2.2 average hours TRAINING PER EMPLOYEE
286 new female EMPLOYEES	397 new male EMPLOYEES	33% solid waste DIVERTED FROM DISPOSAL
1808 female EMPLOYEES	2535 male EMPLOYEES	100% Organic Waste RECYLED
42% female EMPLOYEES	58% male EMPLOYEES	69,554 KJ/KM ENERGY INTENSITY
21 Work-related NON-FATAL INJURIES	0 Work-related ILL HEALTH	15 kg.CO2e/KM CARBON INTENSITY

2023 Sustainability Awards



**Best Innovation
Air Tower Award
Sustainability Initiative Award**






**Most Impactful Breakthrough
Sustainable Aviation Fuel**

Materiality

We identify long-term and short-term impacts to the economy, environment, and people including impacts on human rights throughout our value chain and business relations and prioritise material topics based on the significance of the impacts and their importance to stakeholders.

In accordance with Environmental Management and Coordination Act (EMCA) 2012, Kenya Airways conducts Environmental and Social Impact Assessment on all projects, activities and programmes that may have

significant impact. The assessment involves identifying, predicting, and evaluating the potential environmental and social effects, as well as proposing mitigation measures to address any adverse impacts. In addition, the Kenya Airways grievance mechanism system, allows stakeholders to raise concerns, complaints, or grievance related to impacts of our operations. Our partnerships and industry association memberships allow us to use external sources of information to determine material topics.

Strategic Theme	* Material Topic	SDG
Improve financial sustainability	<ul style="list-style-type: none"> Economic Performance 	
Improve stakeholder wellbeing	<ul style="list-style-type: none"> Health and Safety Employment Practices 	
Reduce environmental footprint	<ul style="list-style-type: none"> Solid Waste Management Water GHG Emissions Energy 	  

* A material topic refers to an issue that is significant to both Kenya Airways operations and its stakeholders. These are the topics that have substantial economic, environmental, and social impacts, and they are crucial for a company's sustainability and long-term success.

Economic Performance

We recognize that economic success must be achieved together with environmental stewardship, social responsibility, and ethical business practices. Our commitment to sustainable economic performance is reflected in our strategic decision-making processes, where we prioritize long-term value creation over short-term gains. We invest in initiatives that not only drive profitability but also contribute positively to society and the environment.

By integrating sustainability into our business model, we seek to mitigate risks associated with climate change, resource scarcity, and social inequality. Through innovative solutions and responsible practices, we aim to minimize our environmental footprint, optimize resource utilization, and foster inclusive growth in the communities we serve. Furthermore, we engage with stakeholders across the value chain to promote transparency, accountability, and collaboration.

Climate-related risks and opportunities:

- 1 **Risk:** Sustainability Transition
Impact: Cost of Sustainability Transition
Opportunity: Green and climate financing.
- 2 **Risk:** Mandatory requirement to use Sustainable Aviation Fuel (SAF) on all European Flights by 2025
Impact: Reduced carbon footprint and increased fuel costs
Opportunity: Develop SAF capabilities, capacities, market, and distribution lines locally
- 3 **Risk:** As of 3rd July 2021, EU has banned use of certain single-use plastic.
Impact: Reduce the amount of waste diverted to landfill
Opportunity: Innovate on single-use plastics alternatives
- 4 **Risk:** EASA Ecolabelling for Aviation starting 2025
Impact: Standard industry rating
Opportunity: Flight Label, Airline Label and Aircraft Label for KQ

Employee benefit plan obligations and other retirement plans.

Value of those liabilities	1,054,354,000
Value of the fund	19,518,028,000
% of covered by the assets that have been set aside	0%
% of coverage of plans by pension liabilities	100%
% of salary contributed by employee	10%
% of salary contributed by employer	10%

Economic Value Generated and Distributed

Economic value distributed	100%
Operating costs	73%
Employee salaries and wages	8%
Employee Benefits paid	3%
Payments to providers of capital	30%
Payments to government	0.09%
Social investments	0.03%
Economic value retained	-13%

Stakeholder Well-being

We are committed to prioritizing the well-being of all our stakeholders, recognizing that their health, safety, and satisfaction are integral to our success and sustainability. We believe that by fostering the well-being of our

stakeholders, we can create lasting value for our business and the communities we serve. We aim to ensure that our business operations contribute positively to the welfare of stakeholders.

Employee and Employment Practices

At the end of 2023, Kenya Airways had 4,342 employees, 13% growth from the previous year. Our employee turnover rate is 3%, enabling us to foster a sense of belonging and social cohesion within our community. Our employees play a crucial role in ensuring safe and efficient operations. The board is dedicated to delivering high-quality customer service and integrating sustainability into their daily activities.

The board is committed to providing equal employment opportunities to all individuals regardless of race, color, religion, gender, sexual orientation, national origin, disability, age, or any other characteristic protected by applicable laws.

We nurture strong relationships with employees and social partners across all our operational countries. We respect the right of every employee to join or not join a trade union and to band together for common objectives. Eighty-one percent of employees are represented by Collective Bargaining Agreements (CBAs).

Where legal restrictions hinder freedom of association and collective bargaining, we strive to empower them through alternative, independent consultation channels. Employees in unionable roles are entitled to union representation as outlined in the recognition agreement between the airline and the union(s).

Kenya Airways adheres all employment laws and regulations, including the Employment Act, the Pensions Act, the Work Injury Benefits Act, and other relevant legislation in Kenya and other regions we have employees. A considerable number of Kenya Airways employees are based at our Hub, Nairobi. All employees are provided healthcare and parental leave benefits. In addition, permanent employees are also provided retirement benefits.

Suppliers of Kenya Airways and their employees be they temporary, or permanent, agents and subcontractors must comply with all Kenyan laws relating to labour, employee health and safety and wages. Kenya Airways carries out joint audits and site visits to assess and continuously review performance and compliance status.

Employee Data



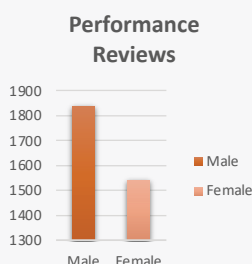
Training, Education and Professional Development

We believe in supporting our employees' growth by providing opportunities for continuous development. We offer training that aligns with documented standards, industry guidelines or performance management plans without charge to our employees. In 2023, 78% Kenya Airways employees received regular performance and career development review bi-annually. Compliance training, in areas such as flight operations, ground handling amongst many others, is compulsory for each employee in line with regulatory requirements. On the other hand, non-

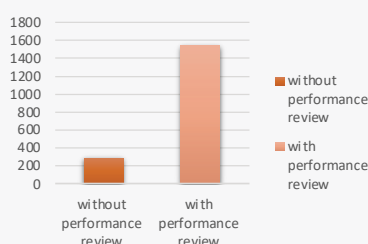
compliance training is self-driven. We have invested in digital space with an AI Learning Management System to engage learners anytime, anywhere with our diverse workforce in multiple locations. Kenya Airways is also driving a culture of self-driven learning and have availed digital learning journeys on the skills of the future. We have implemented Mobile Learning, Micro Learning, Gamification, and social learning as we drive the future capabilities.

2.2

Average Hours for training per employee on digital training programs



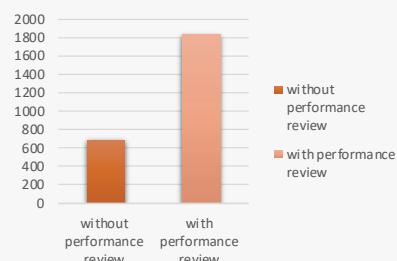
Female Employees



77%

Received regular performance and career development reviews

Male Employees



Health and Safety

Customer Health and Safety

We adhere to rigorous safety standards and regulations set the International Civil Aviation Organization (ICAO) and the Kenya Civil Aviation Authority (KCAA). We have invested in state-of-the-art aircrafts, advanced safety systems, and continuous pilot training to ensure the safety of passengers, crew, and cargo during flights.

We have emergency response protocols in place to handle various in-flight emergencies, such as medical emergencies, turbulence, and mechanical failures. Flight crews are trained to respond quickly and effectively to emergencies, and aircraft are equipped with medical kits, defibrillators, and other emergency equipment to provide immediate assistance to passengers in need.

(0) Nil

Incidents of non-compliance concerning the health and safety impacts of flights

Occupational Health and Safety

The aviation industry accounts for roughly 2.5% of global carbon dioxide (CO2) emissions. When factoring in non-CO2 impacts on climate, such as other greenhouse gases and pollutants, the sector's total contribution rises to about 3.5%.

We are exploring the use of Sustainable Aviation Fuels (SAFs) for its flights as a step towards reducing carbon emissions associated with air travel. In addition, Kenya Airways is exploring alternative fuels for our ground services to reduce oil fuel-based emissions.

100%

of employees and workers who are not employees are covered by health and safety management system

21

Work-related non-fatal injuries

(0) Nil

Work-related ill health

Reduce Environmental Footprint

Our operations depend on a variety of natural resources. Aircraft manufacturing, in-flight operations, and related activities require a diverse range of minerals, metals, and food production resources. Additionally, water serves multiple purposes throughout our operations. Consequently, we generate various types of waste, including solid, liquid, and hazardous waste. Kenya Airways is committed to efficient management of natural resources and waste to safeguarding the environment for future generations.

Our commitment to efficient resource management extends beyond mere waste reduction; it includes the proactive creation of value from waste materials. At Kenya Airways, Kenya Airways is dedicated to transforming our operations into a model of resource efficiency and circularity. Through innovative practices and strategic initiatives, we aim to maximize the utilization of resources while minimizing waste generation. Instead of viewing waste as a liability, we see it as an opportunity to extract value.

Waste Management

We are committed to minimizing our environmental footprint and the importance of responsible waste management in reducing the impact of our activities on the environment. Our commitment to sustainable waste management extends beyond regulatory compliance—it is an integral part of our corporate responsibility and dedication to environmental stewardship. Our approach to waste management focuses on reducing waste generation, increasing recycling rates, and promoting the reuse of materials wherever possible.

disposable items onboard our flights, opting instead for sustainable alternatives such as reusable products. Additionally, we segregate and properly dispose of waste according to local regulations and international standards. Furthermore, we continuously seek opportunities to innovate and collaborate with industry partners to develop and implement more sustainable waste management solutions. By investing in technology, education, and infrastructure, we aim to minimize our waste impact while maximizing resource efficiency

We strive to minimize the use of single-use plastics and

1443

Tonnes
Cabin Waste Generated

0.13%

Hazardous
Waste

7%

Office Paper Waste
Generated

100%

Office Paper Waste
Recycled

100%

Organic Waste
Recycled Generated



Fly Carbon Net Zero by 2050

We are committed to Fly Carbon Net Zero by 2050 through its partnership with the International Air Transport Association (IATA). This pledge underscores our unwavering dedication to environmental sustainability and our proactive stance in combatting climate change. In collaboration with SkyTeam and other SkyTeam Members, Kenya Airways is testing and adopting innovative strategies to minimize our carbon footprint through The Sustainable Flight Challenge.

We are exploring various ways of reducing our carbon footprint, such as fuel-efficient aircraft, adopting sustainable aviation fuels, optimizing flight operations, electrifying our ground equipment, and supporting carbon offsetting initiatives.

Energy Conservation

At our hub, Jomo Kenyatta International Airport (JKIA), approximately 90% of our electricity is sourced from renewable sources. Although, oil-based fuels are utilized to power our aircraft and a portion of our ground service equipment, vehicles, and other operational machinery, we acknowledge the significance of maximizing energy efficiency across our operations to manage our impact on non-renewable energy sources. By planning, monitoring, and optimization measures, we aim to minimize energy consumption and enhance efficiency.

5.5 Million Gigajoules (GJ) Energy Consumed with- in Kenya Airways	0.02% Renewable Energy Sources	2% SAF Blend for the Sustainable Flight Challenge (TSFC) 2023	12% Ground Services Equipment Renewable Energy Powered
	46,481 Kilojoules (KJ) Sustainable Aviation Fuel (SAF) Energy Consumed	840,352,320 Kilojoules (GJ) Of Electricity Energy Consumed	69,554 KJ/KM Energy Intensity Fuel and electricity within Kenya Airways

Emissions Management

We have established 2023 as the baseline year for Scope 1 and Scope 2 greenhouse gas emissions (GHG), as detailed below. Currently, we are developing systems and infrastructure to begin collecting Scope 3 emissions data starting in 2025. In our Sustainability Reports, we will track our ongoing progress in reducing Scope 1 and Scope 2 emissions relative to our baseline year.

*Scope 1 Emissions 1,225,000 Mt. CO _{2e}	**Scope 2 Emissions 1,688 Mt. CO _{2e}	15.69 Kg.CO _{2e} /KM Carbon Intensity scope 1 and 2 included
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**Scope 1 emissions refer to direct greenhouse gas (GHG) emissions that occur from sources that are owned or controlled by a Kenya Airways, 99% of these emissions for Kenya Airways are related to use of jet fuel in our aircrafts. We are exploring the use of Sustainable Aviation Fuels (SAFs) for our flights as a step towards reducing scope 1 emissions. In addition to exploring alternative fuels for our ground services to reduce oil fuel-based emissions.*

***Scope 2 emissions are indirect greenhouse gas (GHG) emissions associated with the consumption of purchased electricity, steam, heat, and cooling. These emissions occur from the generation of energy by a third party that is then consumed by Kenya Airways. While the Kenya Airways itself does not directly produce these emissions, it is responsible for them due to its consumption of the purchased energy.*