



Dongo Kundu Energy
MOMBASA • KENYA

DONGO KUNDU ENERGY LIMITED

Green Hydrogen & Solar PV Project

Dongo Kundu Special Economic Zone, Mombasa, Kenya

ESG POLICY

10 MW

AEM Electrolyser

20 MWp

Solar PV

USD 45M

Phase I CAPEX

100%

Renewable Powered

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Approved by: Krishnamurthy Kumar, CEO & Co-Founder

Aligned to: NEMA • EPRA • NSE USP • CMA • IFC Performance Standards • GRI 2021 • SASB • TCFD/IFRS S2
• UN SDGs

1. Policy Statement

Dongo Kundu Energy Limited (DKE) embeds Environmental, Social and Governance (ESG) principles across every phase of its 10 MW AEM electrolyser and 20 MWp solar PV green hydrogen facility at the Dongo Kundu Special Economic Zone, Mombasa. This policy formalises DKE's accountability to investors, lenders, regulators and host communities, and underpins the Company's admission to the NSE Unquoted Securities Platform and its engagement with development finance institutions including the Green Climate Fund (via GGGI).

ESG is integral to DKE's investment case: it de-risks the Project, unlocks concessional and ESG-mandated capital, ensures regulatory licence-to-operate, and positions DKE as Kenya's flagship commercial-scale green hydrogen producer.

2. Regulatory and Standards Alignment

DKE's ESG framework is built to satisfy Kenyan law and the international benchmarks demanded by institutional investors and DFIs:

Domain	Kenyan Regulatory Basis	International Standard
Environment	EMCA 1999; NEMA EIA Regs 2003; Climate Change Act 2016	IFC PS1–PS8; ISO 14001; GRI 303/304/305
Climate	NCCAP 2023–27; Kenya NDCs; Carbon Markets Regs 2024	GHG Protocol; TCFD; IFRS S2; SBTi
Energy / H ₂	Energy Act 2019; EPRA Green Hydrogen Guidelines 2024	ISO 22734; SASB RT-CH
Social / Labour	OSHA 2007; Employment Act 2007; Constitution Art. 27	ISO 45001; ILO Core Conventions; UNGPs
Governance	CMA Code 2015; Bribery Act 2016; POCAMLA 2009	UN Global Compact; GRI 205; OECD
Capital Markets	NSE USP Rules; NSE ESG Manual 2021	GRI 2021; SASB; IFRS S1

3. ESG Strategy and Pillars

DKE's ESG strategy rests on four pillars aligned to Kenya Vision 2030 and the UN SDGs, with annual materiality assessment conducted per GRI 3 (2021):

Pillar	Focus	Primary Standards & SDGs
Climate & Energy	GHG reduction, 100% renewable power, science-based targets, NDC alignment	GRI 305 · RT-CH-110a · SDG 7, 13
Environment & Nature	NEMA ESIA, water stewardship, coastal biodiversity, circular economy	GRI 303/304 · IFC PS3 · SDG 6, 12, 15
People & Communities	Local jobs, HSSE, gender equity, FPIC, community development	GRI 401/403/413 · OSHA · SDG 3, 5, 8, 10
Governance & Supply Chain	Board ESG oversight, anti-corruption, transparency, supplier ESG	GRI 205 · CMA Code · SDG 16, 17

Core SDG contribution:

- **SDG 7 (Clean Energy):** 100% solar-powered green hydrogen, displacing fossil-derived hydrogen.
- **SDG 8 (Decent Work):** Skilled green jobs at Dongo Kundu SEZ, prioritising the Coast Region.
- **SDG 9 (Infrastructure):** Kenya's first commercial-scale AEM electrolyser facility.

4. Environmental Commitments

4.1 Climate & Energy Transition

- **Renewable energy:** 100% of electrolyser power from on-site 20 MWp solar PV plus BESS — no fossil-fuel grid power.
- **GHG accounting:** GHG MRV per GHG Protocol, ISO 14064, and SASB RT-CH-110a.1; annual third-party verification (ISAE 3410).
- **Targets:** –20% emissions intensity by 2029; –40% by 2032; Net Zero (Scope 1 & 2) by 2045 — five years ahead of Kenya's national target.
- **Science-based:** Commitment to SBTi-validated 1.5°C-aligned targets within 24 months of first production.
- **Climate risk:** TCFD / IFRS S2-aligned physical and transition risk assessment, including coastal flood-risk scenario analysis for the SEZ site.

4.2 Environment & Nature

- **NEMA ESIA:** Full ESIA under EMCA 1999 / NEMA EIA Regs 2003; no construction before NEMA EIA Licence issuance.
- **Water:** RO/demineralised feedwater; ≥50% process-water recycling by Year 2; zero untreated discharge to the marine environment.
- **Biodiversity:** No-net-loss of mangrove cover; Biodiversity Management Plan; mitigation hierarchy (avoid–minimise–restore–compensate).
- **Pollution & waste:** ISO 14001 EMS; hazardous-materials and PV/BESS end-of-life management; zero-burn; flaring only for emergency pressure relief.
- **Circular economy:** Electrolysis oxygen by-product captured and purified for medical/industrial supply — added resource efficiency and revenue.

4.3 Environmental KPIs

Indicator	GRI / SASB	SDG	Target
GHG emissions intensity (tCO ₂ e/kg H ₂)	GRI 305-4 / RT-CH-110a.1	13	–40% by 2032; Net Zero 2045
% energy from renewables	GRI 302-1 / RT-CH-130a.1	7	100% solar PV
% process water recycled	GRI 303-3 / RT-CH-140a.2	6, 12	≥50% by Year 2
Reportable spills & releases	GRI 306-3 / RT-CH-140a.1	14	Zero
NEMA audit compliance	GRI 307-1	16	100% annually

5. Social Commitments

5.1 Employment & Skills

- **Local content:** ≥60% of construction labour and ≥40% of staff from Mombasa County / Coast Region.
- **Gender equity:** ≥30% women in workforce by Year 3; one woman director rising to 30% Board representation by 2030.
- **Skills:** Green Jobs Academy with Technical University of Mombasa and MTTI; ≥25% of hires under 35.

5.2 Health, Safety & Security (Zero Harm)

- **System:** ISO 45001 / OSHA 2007-aligned HSSE management system.
- **Process safety:** HAZID/HAZOP, Permit-to-Work, and Emergency Response Plan for hydrogen and oxygen handling.
- **Targets:** LTIFR ≤0.5 per million hours; zero fatalities as an absolute, non-negotiable KPI.

5.3 Community & Human Rights

- **FPIC:** Free, Prior and Informed Consent per IFC PS7 where livelihoods are affected.
- **Grievance:** Multilingual (English, Kiswahili, Digo, Giriama) grievance mechanism with anti-retaliation protection.
- **Community development:** ≥1% of operating revenue invested in education, health, SME support and energy access.
- **Human rights:** UNGP-aligned; zero tolerance for child/forced labour; annual human rights risk assessment.

5.4 Social KPIs

Indicator	GRI / SASB	SDG	Target
% local (Coast) workforce	GRI 401-1 / RT-CH-310a.1	8	≥40% by Year 2
% women in workforce	GRI 405-1	5, 8	≥30% by Year 3
Lost Time Injury Frequency Rate	GRI 403-9 / RT-CH-320a.1	3	≤0.5 / million hrs
Fatalities	GRI 403-9	3	Zero
Community grievances resolved	GRI 413-1	16	≥90% within 30 days
CSR spend (% of op. revenue)	GRI 413-1	1, 11	≥1% annually

6. Governance Commitments

6.1 Board Oversight

- **ESG Committee:** Dedicated Board ESG Committee chaired by an independent director; quarterly KPI review; annual disclosure.
- **Governance code:** Compliant with CMA Code of Corporate Governance 2015 and NSE USP Rules; ≥2 independent non-executive directors.
- **Remuneration:** ESG KPIs (GHG, LTIFR, community targets) embedded in executive performance scorecards.

6.2 Integrity & Compliance

- **Anti-corruption:** Zero tolerance under the Bribery Act 2016 and ACECA 2003; 100% annual staff training; no facilitation payments.
- **AML:** POCAMLA 2009 / FRC-aligned KYC and source-of-funds checks for all investors and counterparties.
- **Whistleblowing:** Anonymous, multi-channel Speak-Up mechanism with anti-retaliation protection.

6.3 Transparency & Supply Chain

- **Reporting:** Annual integrated report combining IFRS financials, GRI ESG disclosure and TCFD climate risk; ISAE 3000 / ISAE 3420 assured.
- **Investor disclosure:** Quarterly ESG KPI dashboard to all registered NSE USP investors; GCF/GGGI reporting on funded components.
- **Supply chain:** 100% of Tier-1 suppliers ESG-screened by 2027; binding Supplier Code of Conduct flow-down; local SME preference.

6.4 Governance KPIs

Indicator	GRI / SASB	SDG	Target
Anti-corruption training completion	GRI 205-2 / RT-CH-510a.1	16	100% annually
Confirmed corruption incidents	GRI 205-3	16	Zero
% Tier-1 suppliers ESG-screened	GRI 308/414 / RT-CH-440a.1	8, 12	100% by 2027
Board ESG Committee meetings / yr	GRI 2-9	16	≥4 per year
Assured ESG report published	GRI 2-3 / RT-CH-000.B	12, 17	Annual

7. Implementation, Assurance & Review

7.1 Accountability

Function	ESG Responsibility
Board / ESG Committee	Oversight, policy approval, investor engagement on ESG
CEO (K. Kumar)	Policy owner; DFI/GCF engagement; signatory on disclosures
ESG Manager	KPI data, annual ESG report, materiality, grievance oversight
HSSE Manager	ISO 45001 system, process safety, emergency response
CFO / Finance	GHG MRV, ESG financial disclosure, ISAE 3420 compliance
Legal & Compliance	Anti-corruption, AML, regulatory interface (NEMA/EPRA/CMA/NSE)
Procurement	Supplier ESG screening, onboarding and audit
Community Liaison	FPIC, grievance mechanism, community development

7.2 Assurance

- **GHG:** Annual limited assurance on GHG inventory (ISO 14064-3 / ISAE 3410).
- **ESG report:** ISAE 3000 assurance on the annual ESG report from Year 2; ISAE 3420 on projected financials for NSE USP.
- **Operational:** Quarterly internal HSSE audits; annual NEMA-registered environmental audits; risk-based supplier audits.

7.3 Continuous Improvement

ESG targets are refreshed annually based on prior-year performance and materiality outcomes. Extraordinary policy review is triggered by any material ESG incident, regulatory change, or significant change in Project scope. The Board ESG Committee receives a quarterly compliance dashboard and an annual consolidated assurance report.

8. Supporting Policy Suite

This summary is underpinned by DKE's full policy suite, each with equivalent binding force: Anti-Bribery & Corruption; Anti-Money Laundering; Whistleblower (Speak-Up); Diversity, Equity & Inclusion; Human Rights Statement; FPIC Policy; Code of Conduct; Supplier Code of Conduct; HSSE Policy; and Corporate Social Responsibility Policy. The complete ESG Policy (DKE-ESG-POL-001) and underlying KPI register are available to NSE USP investors and DFI partners on request.

9. Ratification

This ESG Policy Summary has been reviewed and approved by the Board of Directors of Dongo Kundu Energy Limited and is effective from June 2026, subject to annual review.

Role	Name	Signature	Date
CEO & Co-Founder	Krishnamurthy Kumar, B.Com., A.C.A., C.P.A.(K), C.I.F.A., C.I.S.I.(UK)		
Chairperson, Board			
Chair, ESG Committee			

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